

255 - 5936 Willow Street
Vancouver, B. C.
V5Z 3S6

September 25, 1979

Mr. Ralph Sostad
#1012 - 470 Granville Street
Vancouver, B.C. V6C 1V5

Dear Mr. Sostad,

Re: THE BAYONNE MINE

During recent months, due to the sharp increase in the price of gold and silver, I have been called upon to review my files on mining reports. In so doing my attention has been drawn to my report of March 13, 1979 on your Bayonne Mine.

After reviewing my comments and recommendations relative to the potential of this former producer, I cannot help but feel that the implementation of an exploratory program is more than ever justified. When this report was written, your major problem was the development of additional reserves in strategic areas as indicated in available reports and maps. In my above-mentioned report my calculations were based on a recoverable gold value of \$200.00 per ounce.

Taking into account all current factors and without overlooking the comments and recommendations contained in Stages 1 and 2 of my report, if such can be included within your capital outlay potential, I am presently of the opinion that emphasis should be centered towards the implementation of an exploratory program directed to the development of additional ore reserves.

It is suggested, therefore, that consideration be given to the implementation of a program calling for:

1 - The driving of a low-level crosscut to intersect the down-dip projection of the vein and a raise therefrom to break through to the 9-A drift.

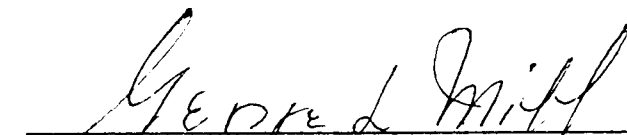
2 - The rehabilitation of No. 4 Level to permit the establishment of a drilling station to test the down-dip projection of the North Vein.

Mr. Ralph Sostad

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Details relative to the above are outlined in the writer's report of March 13, 1979. It is estimated that the above two items will require a capital outlay of \$150,000.00. The eventual and practical advisability of offsetting, at least in part, this estimated capital outlay by production from strategic reserve blocks will have to be left to the discretion of operating personnel.

Yours very truly,


George L. Mill, P.Eng.

m/e

800248

REPORT ON THE

OC - 3 CLAIM

KAMLOOPS MINING DIVISION

SALMON ARM, B.C.

FOR

SAMOS RESOURCES LIMITED

705-800 West Pender Street

Vancouver, B.C.

BY

W.G. Hainsworth, P.Eng.

W.G. HAINSWORTH & ASSOCIATES LTD.

905-837 West Hastings Street

Vancouver, B.C.

Vancouver, British Columbia

October 9, 1984

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MAPS

Figure 1 - Property Location Map	Following Page 4
Figure 2 - Claim Location Map	Following page 5

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SUMMARY AND CONCLUSIONS

Samos Resources Limited has acquired a 20 unit claim in the proximity of the Adams Plateau, North of Salmon Arm British Columbia in the Kamloops Mining Division. There is no recorded evidence of past operations on this claim.

The property was not examined by the writer. However, the writer's past experience in the Adams Plateau area plus the benefits of a previous observers notes allowed for the compiling of this report. The area largely hosts base metals with precious metals being of secondary nature. There are no known metaliferous deposits upon the OC-3 claim of Samos Resources Limited.

The claim is underlain by a similar assemblage of rock formations as host the lead-zinc-copper deposits of the Adams Plateau. The present recommended program is organized to explore the full claim potential.

It is intended to fully explore the steep, rugged terrain by means of a gridding plot over the 20 unit claim and the carrying out along these grid lines of a soil survey intended to identify targets for a follow-up phase procedure. Based upon success being generated in this Phase I, the follow-up phase would be the building of tighter grid plots around the target areas and a detailed soil sampling survey coupled with an EM 16 geophysical survey carried out within the new grid zone.

This two-phase success-contingent program is recommended for the OC-3 claim with the total cost being \$26,000 over a two-month operational period.

COST ESTIMATES

Phase I - Surface Examination (2½ Weeks)

Preparation and running of a 1900 meter (6230 feet) northeast baseline with flagged cross lines at right angles at 200 meter (650 foot) intervals.

10,910 meters (35,750 feet) of line	\$ 1,700
Soil Survey - Sampling at 50 meters (165 feet) intervals	1,400
Assaying 220 samples at \$12 per	2,640
Rentals; vehicle, equipment	700
Shipping charges	100
Lodging and meals	2,000
Supplies	400
Supervision	1,500
Consultation, report	<u>1,200</u>
TOTAL	\$11,640
Contingency 10%	1,160
	<u>\$12,800</u>

Phase II - Detailed Target Surface Surveys (4 Weeks)

Detailed soil sampling plus assays	\$ 5,000
EM 16 survey over targets	2,500
Rentals, billoting, etc.	3,000
Supervision	<u>1,500</u>
TOTAL	\$ 12,000
Contingency 10%	1,200
	<u>\$13,200</u>

Total Phase I and II \$26,000

Phase III - Diamond Drilling

This is a success-contingent phase with the amount of drilling required being dependent upon the proceeding two phases.

No cost estimate can be advanced at the present time.

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INTRODUCTION

The OC - 3 claim property consisting of twenty (20) units is located approximately 35 kilometers (22 miles) due north of the town of Salmon Arm, B.C. The property was not examined by the writer, but by another geologist, Mr. Nels B. Vollo, P.Eng., whose report and notes were made available to the writer. This report was commissioned by Mr. Dil Gujral, President of Samos Resources Limited of Vancouver, B.C.

The topography is relatively steep with the claim lying between the 855 (2800 foot) and the 1585 (5200 foot) meter contour elevation. A logging road allows access to the eastern portion of the claim units.

There are no known mineralized showings on the property nor is there any recorded past production from the claim units.

LOCATION AND ACCESS

The claim group lies thirty-five kilometers (22 miles) due north of the village of Salmon Arm, B.C. See figure 1.

Access to the claim is by means of a logging road located 4.5 kilometers (2.8 miles) east of the village of Celista on the north shore of Shuswap Lake. This logging road follows the eastern bank of Onyx Creek up to the eastern reaches of the Adams Plateau. The claim is some 7.8 kilometers (4.8 miles) up this road. The logging road has numerous switchbacks to accommodate the hillside contours.

The OC - 3 claim is within the Kamloops Mining Division with the claim centering on north 51 degrees 01 minutes latitude and west 119 degrees 19 minutes longitude. Its National Topographic System location is 82/M/3 West. Refer to figure 2.

PROPERTY

The OC - 3 claim group is within the Mining Division of Kamloops, British Columbia.

The property consists of 20 units, 4 in a north-south arrangement and 5 in an east-west direction. In total, the claim occupies approximately 500 hectares of area with the eastern portion, close to the boundary line, being occupied by Onyx Creek at a low elevation of 855 (2800 feet) meters rising very steeply on the west bank of the creek to a high of 1585 (5200 feet) meters in the north western section of the claim. Several creeks flow southeast through the units to empty into Onyx Creek.

THE CLAIM

<u>NAME</u>	<u>NO. OF UNITS</u>	<u>RECORD NO.</u>	<u>EXPIRY DATE</u>
OC-3	20	5464	Jan. 20, 1985

HISTORY

There is no record of previous work on the ground covered by the present OC - 3 claim. The Adams Plateau, some 14 kilometers to the west, has been known for many decades to have scattered mineralization primarily in lead-zinc-silver veins. Numerous explorations and mining companies over the years have carried out exploration on the Plateau and it is debatable as to whether exploration extended far enough eastward to descend the steep slopes to Onyx Creek.

GEOLOGY

The general area of the Adams-Shuswap Lakes terrain is underlain predominately by the Shuswap Metamorphic Complex of rocks, which includes various types of gneisses, schist and skarned formations. Ringing this complex on the south end are Permian type rocks of predominately sedimentary origin with minor volcanic action. It is this latter type of formations which are the host rocks of the vein and volcanogenic mineralization.

Geological Survey of Canada maps of the general area show the ground occupied by the OC - 3 claim to be underlain by limestones, greenstones, phyllites and altered gneisses, all trending northeast and dipping flatly to the northwest. These formation are similar to those hosting mineralization on the Adams Plateau and further west in the Barriere Lakes vicinity.

RECOMMENDATIONS

The property has no recorded history of exploration which makes for an intriguing situation. It is likely that exploration was discouraged by the steep, precipitous western slopes of Onyx Creek. However, the presence of competent host formations similar to those on the Adams Plateau lends exploration appeal to the claim units.

With no past information available, the writer is recommending a program which will cover the twenty units. It is a general reconnaissance program which, hopefully, will zero in on worthwhile target areas. The prime metallics of the area are lead, zinc, copper and silver minerals.

It is recommended that the complete claim area be investigated by a well-organized soil sampling program with the samples being assayed for silver, copper and zinc. It is recognized that the steep terrain will effectively slow the program, so consideration is given to this factor in the cost estimates.

It is recommended that a flagged baseline be run parallel to the formational trend (northeast) and that flagged crosslines, at right angles, be run off this baseline to the property boundaries at 200 meters (650 feet) intervals.

Soil sampling of the base and cross lines should be taken at 50 meter (165 feet) intervals.

Upon completion of this Phase I program and contingent upon target success being generated, a Phase II consisting of more closely knit grids being run over the targets encompassing both detailed soil sampling and EM 16 surveys is recommended.

Phase III would be a major drill program depending upon the results and priorities of the previous phases.

Respectivley submitted,

W.G Hainsworth, P.Eng.

APPENDIX B

BIBLIOGRAPHIES

Report on the OC - 3 Mineral Claim, Kamloops, M.D., British
Columbia Nel B. Vollo, P.Eng., May 14, 1984

G.S.C., Map 48-1963, R.B. Campbell

G.S.C., Memoir 296-Vernon Map Area, B.C., Jones, 1959

B.C. Department of Mines Report: 1929-p. 217



TYPE OF REPORT/SURVEY(S) <i>GEOCHEMICAL SURVEY</i>	TOTAL COST <i>\$ 6,744.00</i>
-------------------------------------------------------	----------------------------------

AUTHOR(S) *N.G. HAINSWORTH* SIGNATURE(S) *[Signature]*

DATE STATEMENT OF EXPLORATION AND DEVELOPMENT FILED YEAR OF WORK *1984*

PROPERTY NAME(S) *OC-3 MINING CLAIM*

COMMODITIES PRESENT *Gold, Silver, some base metals*

B.C. MINERAL INVENTORY NUMBER(S), IF KNOWN

MINING DIVISION *KAMLOOPS* NTS *82/M/3 WEST*

LATITUDE *N. 51° 01'* LONGITUDE *W. 119° 19'*

NAMES and NUMBERS of all mineral tenures in good standing (when work was done) that form the property [Examples: TAX 1-4, FIRE 2 (12 units); PHOENIX (Lot 1706); Mineral Lease M 123; Mining or Certified Mining Lease ML 12 (claims involved)]:

OC-3 (20 UNITS) RECORD No. 5464

OWNER(S)
(1) *SAMUEL RESOURCES LTD.* (2)

MAILING ADDRESS
*705-500 WEST PENDER
VANCOUVER, B.C.*

OPERATOR(S) (that is, Company paying for the work)
(1) *SAMUEL RESOURCES LTD.* (2)

MAILING ADDRESS
*705-500 WEST PENDER
VANCOUVER, B.C.*

SUMMARY GEOLOGY (lithology, age, structure, alteration, mineralization, size, and attitude):
*SHUSWAP METAMORPHIC COMPLEX
— FUNDAMENTARY DISCONTINUITIES
— PERMIAN SEDIMENTS AND MINOR VOLCANICS
— TRENDS IS. NORTHEAST WITH FEW NORTHEAST
DIPS
— ENIGMATIC DEPOSITS RELATED WITH PRECIOUS METALS*

REFERENCES TO PREVIOUS WORK
NONE KNOWN

TYPE OF WORK IN THIS REPORT	EXTENT OF WORK (IN METRIC UNITS)	ON WHICH CLAIMS		COST APPORTIONED
GEOLOGICAL (scale, area)				
Ground
Photo
GEOPHYSICAL (line-kilometres)				
Ground
Magnetic
Electromagnetic
Induced Polarization
Radiometric
Seismic
Other
Airborne
GEOCHEMICAL (number of samples analysed for)				
Soil	138	7.55 Km	OC-3	6744.58
Silt
Rock
Other
DRILLING (total metres; number of holes, size)				
Core
Non-core
RELATED TECHNICAL				
Sampling/assaying
Petrographic
Mineralogic
Metallurgic
PROSPECTING (scale, area)				
PREPARATORY/PHYSICAL				
Legal surveys (scale, area)
Topographic (scale, area)
Photogrammetric (scale, area)
Line/grid (kilometres)
Road, local access (kilometres)
Trench (metres)
Underground (metres)
				TOTAL COST
				6744.58

FOR MINISTRY USE ONLY	NAME OF PAC ACCOUNT	DEBIT	CREDIT	REMARKS:
Value work done (from report)	
Value of work approved	
Value claimed (from statement)	
Value credited to PAC account	
Value debited to PAC account	
Accepted Date	Rept. No. Date			Information Class