

826508

Confidential Report

on the

GEOLOGICAL SAMPLING

of the

Sarita River Claims

Nomad Mines Ltd.

Alberni Mining Division

Vancouver Island, B. C.

for

Kerr Addison Mines Ltd.

703 - 1112 West Pender St.

Vancouver, B.C.

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INTRODUCTION

As a result of information published in the George Cross News Letter interest was generated in the Sarita River Property which is under option to Nomad Mines Ltd. The property was surveyed and PDH (percussion drill hole) sludge samples were obtained from a mineralized magnetite zone on the Numakimus Indian Reserve No. 1 and from a contact zone immediately south of the Reserve boundary. Since only the samples on the Reserve contained interesting base metal and gold values it is believed that the high results reported by Nomad for the contact zone are to be suspected. Only a cursory investigation of the showings in the vicinity of the magnetite zone was completed. This east-west trending zone may extend over a distance of 850 metres and may exhibit potential as an ore deposit.

Nomad Mines Ltd. has reported that they have concluded an agreement with the Ohiaht Indian Band Council which grant the company exclusive rights to explore on that portion of the Reserve between the company's claims and the south shore of the Sarita River, and that they are attempting to negotiate an option agreement with the Band. At present Nomad stock has been suspended from the Vancouver Stock Exchange.

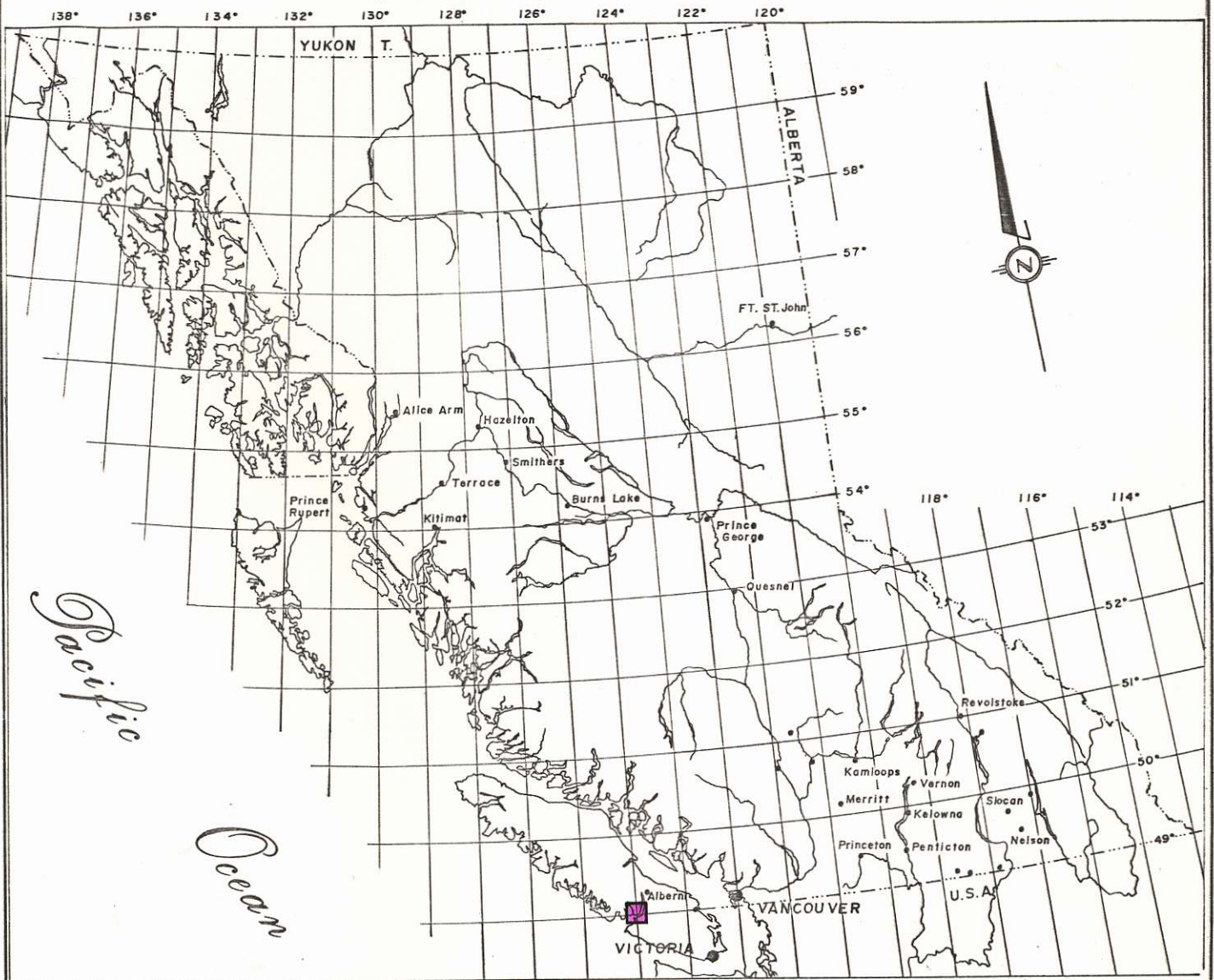
LOCATION AND ACCESS

The property is located two kilometres south of the mouth of the Sarita River on the west coast of Vancouver Island at latitude $48^{\circ}53'$ and longitude $125^{\circ}00'$, Fig. 1.

Access to the property is gained by travelling 70 kilometres southwesterly from Port Alberni on the Alberni-Bamfield road.

SARITA RIVER PROPERTY

The claims are held under option agreements by Nomad Mines Ltd. of Vancouver from D.A. Chapman (ex-president of Nomad Mines) Roy Carlson and Ron Jones, Fig. 2,3. A comparison between Figs. 2 and 3 shows that the Muriel Claims are not plotted correctly on the government's claim map as the posts were found near the bend in the road. The property is 13 km. southwest of Kerr Addison's Alberni Property.



Pacific Ocean

0 25 50 100 200 miles

Sarita River Property

KERR ADDISON MINES LTD	
SARITA RIVER PROPERTY	
BRITISH COLUMBIA	
LOCATION MAP	
FIG. No. 1	DATE - March, 1980

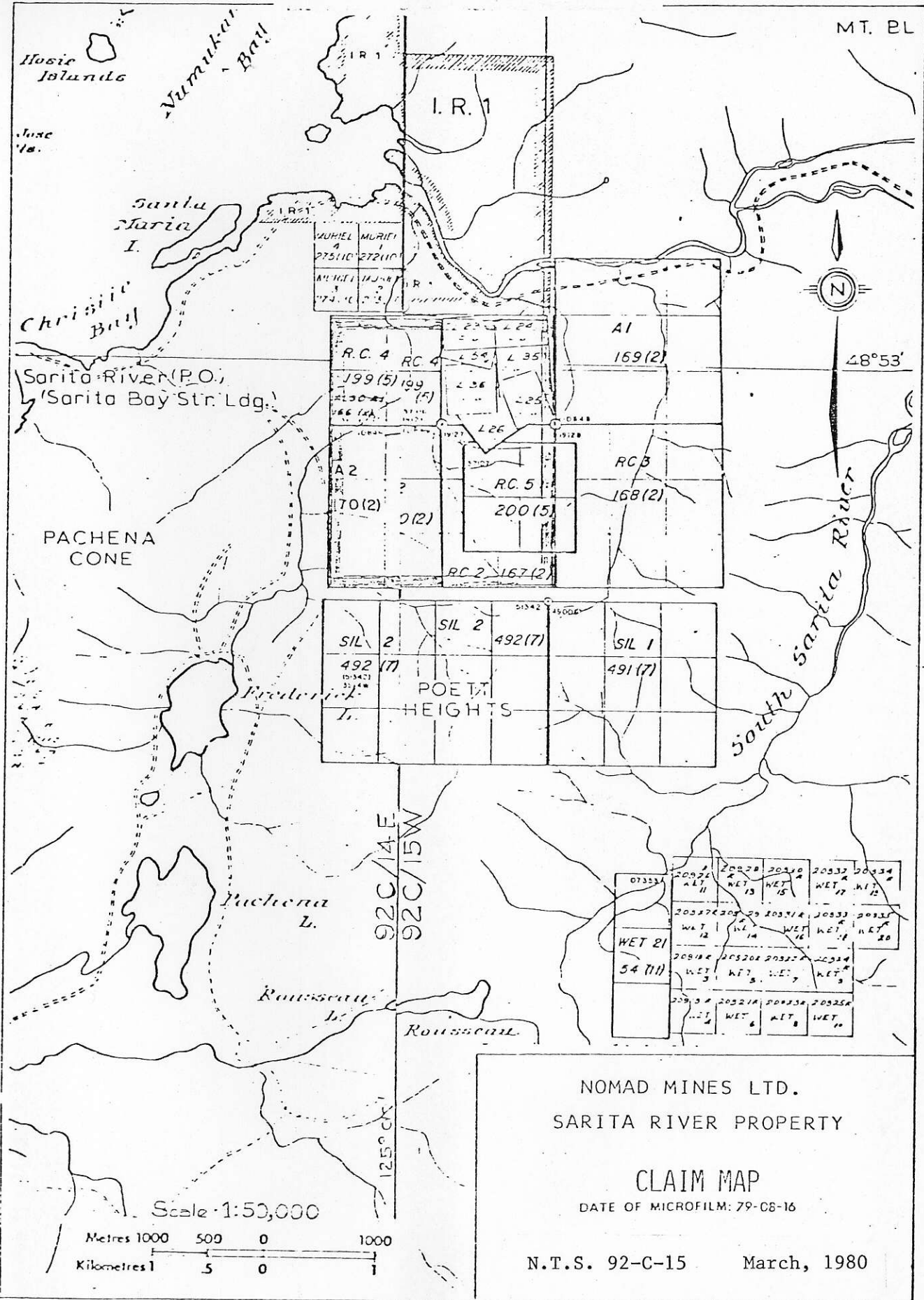
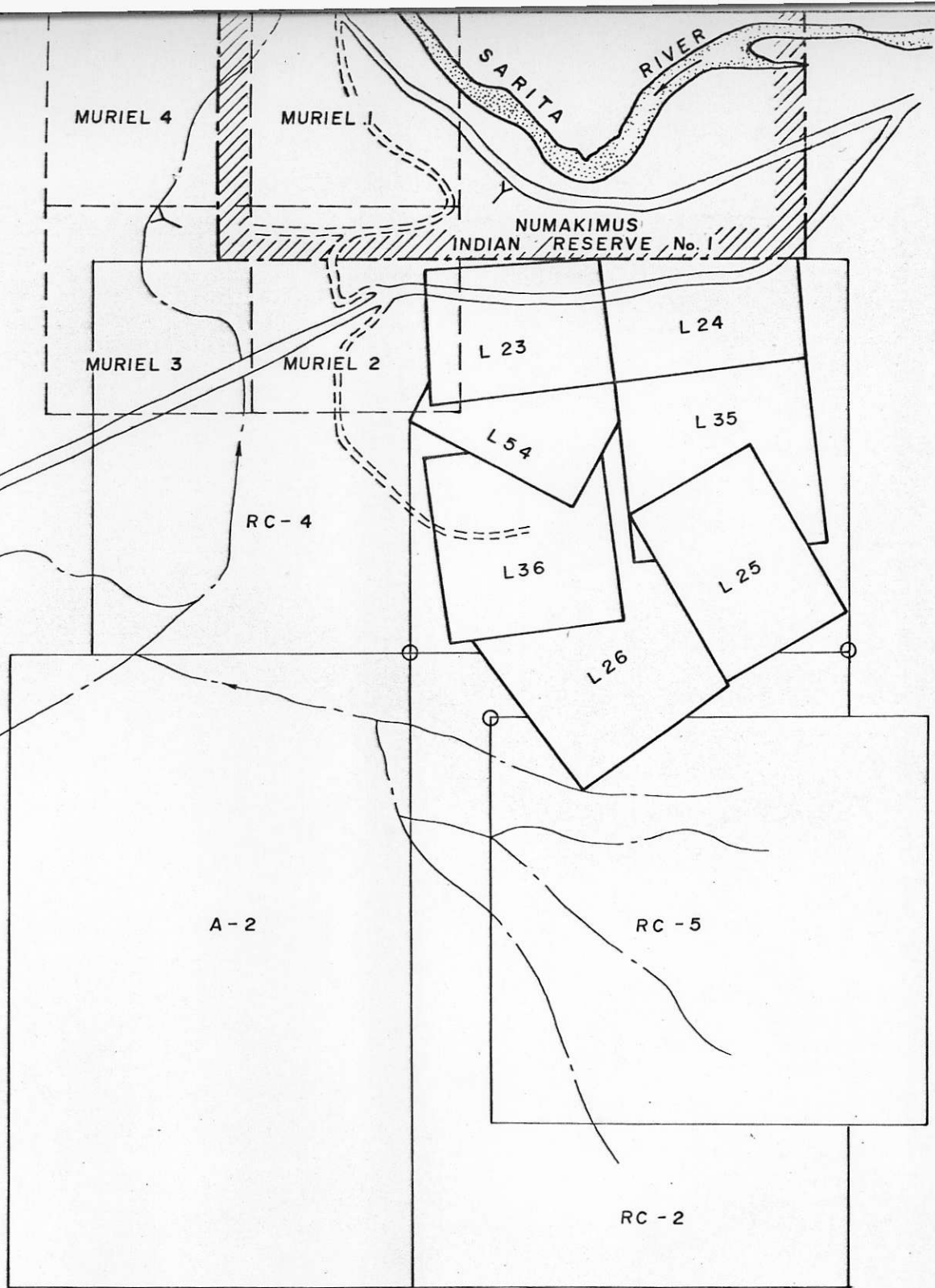


Figure 2.



Optioned Claims:

RC - Roy Carlson

L23, L24, L25, L26, L34, L35, L36 - D.A. Chapman.
(Ex. president of Nomad Mines Ltd)

Muriel 1, 2, 3, 4 - Ron Jones

Y Adit

KERR ADDISON MINES LTD	
SARITA RIVER PROPERTY	
NOMAD MINES	
CLAIM MAP	
SCALE - 1 : 15,000	DATE - March, 1980
N.T.S - 92-C-15	FIG. No. 3

HISTORY

Most of the information pertaining to the exploration of the property was obtained from the George Cross News Letter and the Letter to the Shareholders in Appendix I and Appendix II respectively.

- 1900 - 1922 - Sarita Magnetite Deposit was explored and bulk sampled.
- 1975 - 1979 - J. W. McLeod visited the property on numerous occasions.
- February 15, 1979 - Geological Proposal for Sarita River Property was submitted to Nomad Mines by J.W. McLeod.
- February 1979 - Nomad Mines Ltd. drilled ten percussion holes near bend in road on the Numakimus Indian Reserve No. 1.
- March 9, 1979 - Nomad received assay results for holes PH - 8, 9 and 10.
- July 12 - August 17, 1979 - Nomad reported results to George Cross News Letter for all holes numbered PH 1 to -10.
- August 20, 1979 - Vancouver Stock Exchange suspended trading of Nomad.
- August 27, 28, 1979 - At the request of the Vancouver Stock Exchange 2 holes N2T and N6T were redrilled in the vicinity of the original holes PH2 and PH6 under the supervision of P.W. Richardson.
- Between September 1979 and January 4, 1980 - The boundary of the Indian Reserve was surveyed and it was determined that the mineralized zone lay within the Indian Reserve.
 - An agreement was made with the Ohiaht Indian Band.
 - Nomad started drilling 6 percussion holes in the vicinity where claims Muriel 2 and RC-4 overlap. These holes are labelled N-1 to N-6.
 - Nomad drilled a Winkie Hole one mile south of the Indian Reserve.
- January 4, 1980 - Nomad reports results of N-1 and N-2 and the results of the test holes N2T and N6T.
- January 14, 1980 - Nomad resumes trading.
- February 7, 1980 - Nomad reports results of N-7 and N-8.

- February 21, 1980 - A.S. Ashton, director of Nomad, reports the results of the N-13 in the vicinity of claims Muriel 2 and RC-4.
- Shares of Nomad Mines Ltd. are suspended.
- February 23-28, '80 - Kerr Addison sampled drill sludge and outcrop.
- February 28, 1980 - R.C.M.P. obtained rejects for PH-1 and PH-2. No gold was recorded in their assays.
- March, 1980 - PH-1, in contact zone was redrilled and supervised by Smitheringales (Sr. and Jr.). No gold values were obtained.

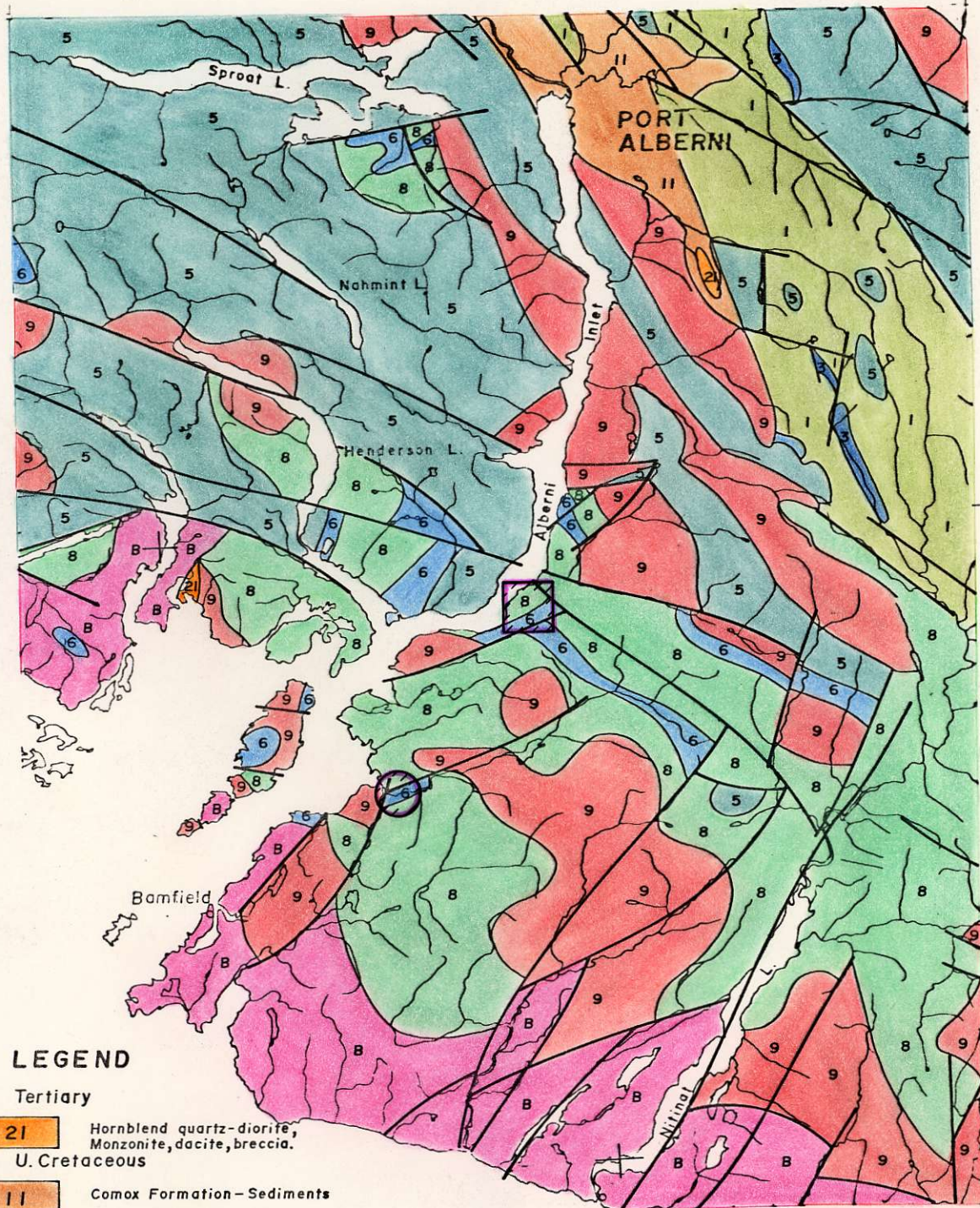
GEOLOGY

Introduction

The mineralized magnetite zone on the Indian Reserve occurs at the contact of andesite of the Bonanza Group and diorite of the Island Intrusions. The mineralized magnetite zone and a contact zone in Quatsino limestone and diorite were sampled.

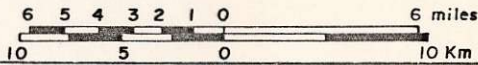
Regional Geology

Although the regional geological strike is northwest the trend of the mineralized zone and the limestone is eastwest, Fig. 4. The Quatsino Formation consists of limestone, mainly massive to thick bedded calcilutite, varying from 25 to 500 metres in thickness and containing ammonites and other fossils of late Karnian to early Norian age (Muller, 1977). The sediments were formed in near- and off-shore basins in the quiescent Karmutsen rift archipelago. The Bonanza Group consists of lava, tuff breccia intercalated with marine argillite and greywacke. The Bonanza represents parts of several eruptive centres of a volcanic arc and consequently its stratigraphy varies considerably. The Island Intrusions are batholiths and stocks of granitoid rocks ranging from quartz diorite to granite. Within the Bonanza Group they form high level stocks and dykes of hornblende quartz - feldspar porphyry.



LEGEND

- Tertiary**
- 21 Hornblend quartz-diorite, Monzonite, dacite, breccia. U. Cretaceous
 - 11 Comox Formation - Sediments
- Jurassic**
- 9 Island Intrusions - Biotite-hornblend granodiorite, quartz-diorite.
 - B West-Coast Diorite - Hybrid hornblend diorite, quartz-diorite, Agmatite, hornfelsic volc. rocks.
- L. Jurassic**
- 8 Bonanza Group - Andesitic to latitic breccia, tuff & lava, Greywacke, argillite & siltstone.
- U. Triassic**
- 6 Quatsino Formation - Limestone (massive to thick bedded)
- U. Triassic & older**
- 5 Karmutsen Formation - Pillow-basalt & breccia, basalt flows, Tuff volc. breccia, conglomerate.
- L. Permian**
- 3 Sicker Group - Buttle Lake Formation: Sediments
- Pennsylvanian & older**
- 1 Sicker Group - Volcanic Rocks
- Sarita River Property (Nomad Mines Ltd)
 - Alberni Property (Kerr Addison Mines Ltd)



KERR ADDISON MINES LTD

SARITA RIVER PROPERTY
VANCOUVER ISLAND, B.C.

GEOLOGY

SCALE - 1 inch = 6 miles DATE - March, 1980

N.T.S - 92 C, E FIG. No. 4

Note: Geology adapted from 1977, O.F.R. 463 by J.E. Muller.

Property Geology

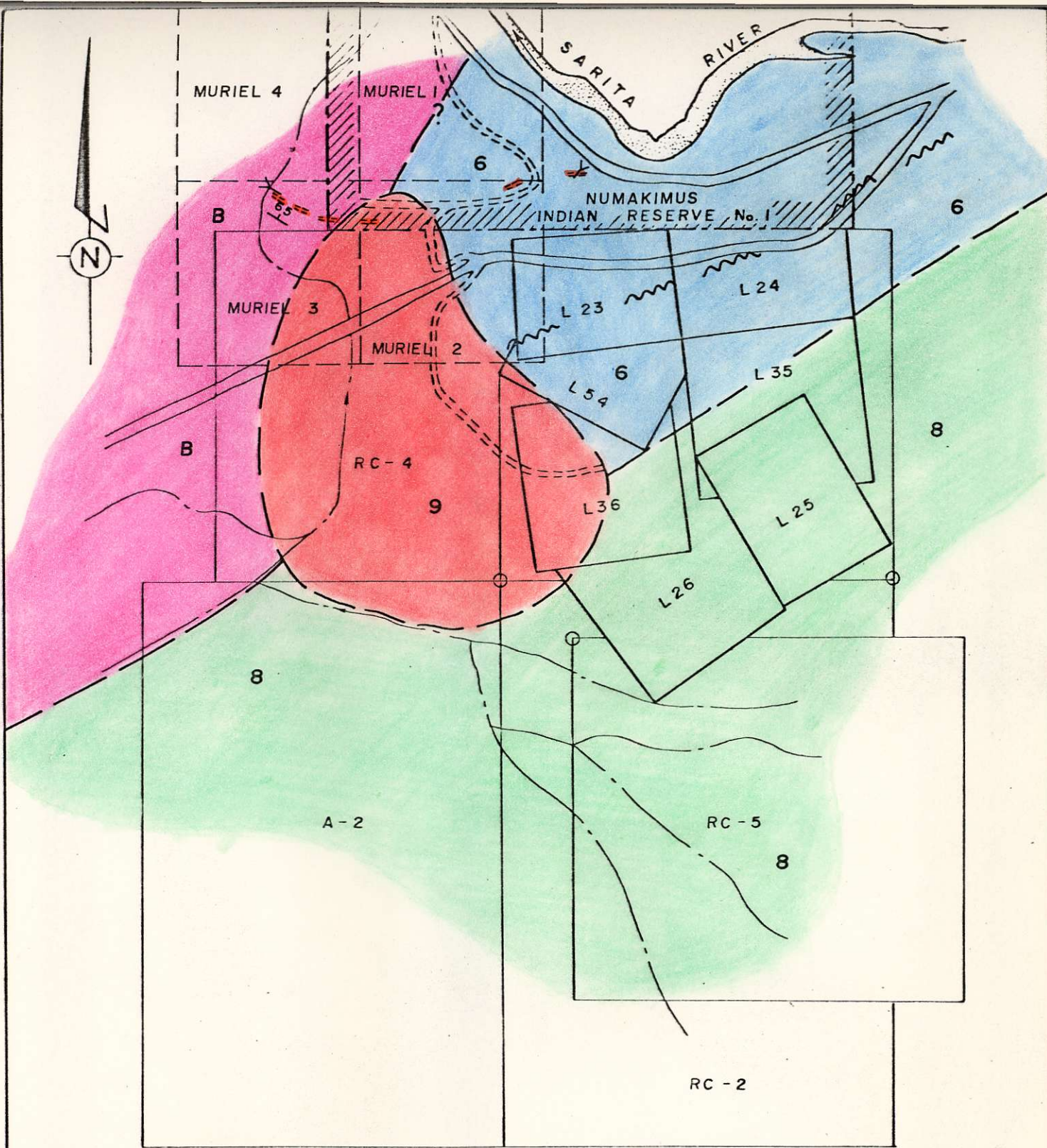
The geology of the property is described by Young and Uglow (1926), McLeod (1979) and Richardson (1979) in Appendixes III, IV, and V respectively. Nomad Mines Ltd. has drilled a mineralized magnetite zone on the Indian reserve and a contact zone south of the reserve boundary, Fig. 4 and 5. Most of the outcrop occurs along a recently constructed lumber road by MacMillan and Bloedel that circumvents the reserve. The outcrops consist of limestone, diorite and abundant skarn, Fig. 6. Andesite and diorite were mapped in the vicinity of the east end of the mineralized magnetite zone.

MINERALIZATION

Pyrite, magnetite and chalcopyrite mineralization were mapped and sampled in the mineralized magnetite zone. The zone is assumed to extend from the creek west of the reserve to the adit near the Sarita River, a distance of approximately 850 metres, Fig. 5. The magnetite zone is described by Young and Uglow (1926) as a contact skarn zone and by McLeod (1979) as a replacement zone. In the trench at the east end of the zone massive pyrite is associated with 2% chalcopyrite, 20% magnetite and 15% carbonate veining over a width of 90 cms. and a length of 2 metres. The mineralization is hosted by light green andesite. Massive pyrite also occurs in outcrop 35 metres to the west just above PDH holes PH-6 and N-6T. This zone has not been adequately explored as there are no recent survey lines or trenching. In the vicinity of the contact zone on Nomad ground sludge and outcrop were sampled but no interesting gold values were obtained.

PERCUSSION DRILLING

Table 1 lists the drill assays published by the George Cross News Letter for the two zones.



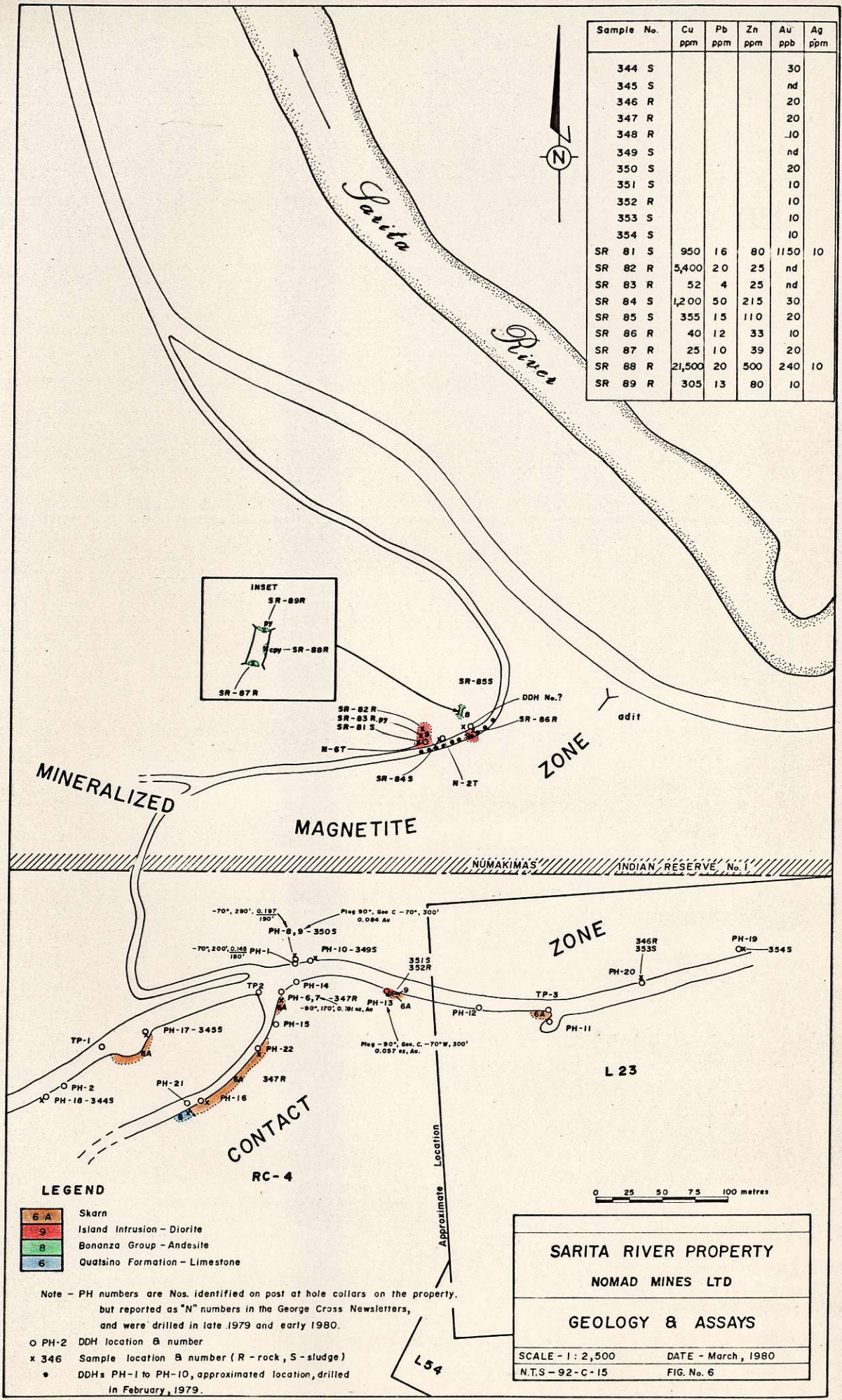
LEGEND

- | | | |
|---|---|--|
| 9 | B | Island Intrusion-Granodiorite, B - West Coast Diorite. |
| 8 | | Volcanics |
| 6 | | Limestone |
- Magnetite zone (Possible length - 850m.)
 Adit

0 150 300 500 metres
0 500 1000 1500 feet

KERR ADDISON MINES LTD	
SARITA RIVER PROPERTY	
NOMAD MINES	
GEOLOGY	
SCALE - 1 : 15,000	DATE - March, 1980
N.T.S - 92-C-15	FIG. No. 5

Sample No.	Cu ppm	Pb ppm	Zn ppm	Au ppb	Ag ppm
344 S				30	
345 S				nd	
346 R				20	
347 R				20	
348 R				10	
349 S				nd	
350 S				20	
351 S				10	
352 R				10	
353 S				10	
354 S				10	
SR 81 S	950	16	80	1150	10
SR 82 R	5,400	20	25	nd	
SR 83 R	52	4	25	nd	
SR 84 S	1,200	50	215	30	
SR 85 S	355	15	110	20	
SR 86 R	40	12	33	10	
SR 87 R	25	10	39	20	
SR 88 R	21,500	20	500	240	10
SR 89 R	305	13	80	10	



MINERALIZED

MAGNETITE

ZONE

NUMAKIMAS INDIAN RESERVE, No. 1

ZONE

L 23

CONTACT

RC-4

Approximate Location

LEGEND

- 6 A Skarn
- 9 Island Intrusion - Diorite
- 8 Bonanza Group - Andesite
- 6 Quatsino Formation - Limestone

Note - PH numbers are Nos. identified on post at hole collars on the property, but reported as "N" numbers in the George Cross Newsletters, and were drilled in late 1979 and early 1980.

- PH-2 DDH location & number
- × 346 Sample location & number (R - rock, S - sludge)
- DDHs PH-1 to PH-10, approximated location, drilled in February, 1979.

SARITA RIVER PROPERTY

NOMAD MINES LTD

GEOLOGY & ASSAYS

SCALE - 1 : 2,500 DATE - March, 1980
 N.T.S - 92 - C - 15 FIG. No. 6

CONCLUSIONS

A mineralized magnetite zone extends from the western boundary of the Indian Reserve easterly for 850 metres. This zone has not been adequately explored. The contact zone to the south of the reserve does not appear to contain any mineralization though good assays have been reported by Nomad Mines Ltd.

TABLE 1

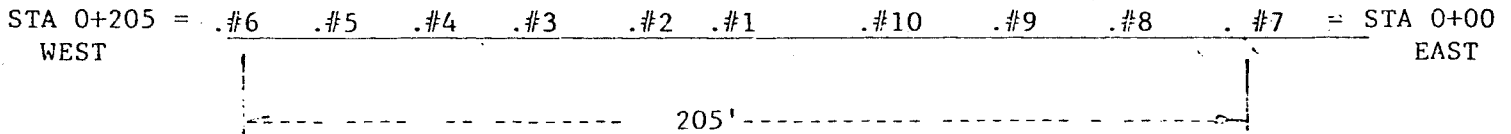
ASSAY RESULTS OF PERCUSSION DRILL HOLES FROM MINERALIZED MAGNETITE AND
SKARN ZONES

MAGNETITE ZONE -

	<u>GOLD</u>	<u>SILVER</u>	<u>Cu</u>
	ounces per ton	ounces per ton	percent
<u>Drill Hole PH 1 @ -30°</u>	STA 0+100 PH 1 = PH 11 Hole collapsed		
20 - 30	0.28	0.30	
<u>Drill Hole PH 2 @ -30°</u>	STA 0+105 PH 2 = PH 12 Total length = 100'		
20 - 30A	0.20	0.21	
20 - 30B	0.29	0.32	
40 - 50	0.12	0.17	
50 - 60	0.14	0.02	
60 - 70	0.14	0.10	
70 - 80	missing sample tag error (see PH 19 - 70-80A) ?		
80 - 90	0.14	0.18	
90 - 100	0.30	0.33	
<u>Drill Hole PH 3 @ -30°</u>	STA 0+130 PH 3 = PH 13 Total Length = 60'		
10 - 20	0.23	0.22	
20 - 30	0.20	0.23	
30 - 40	0.090	0.10	
40 - 50	0.16	0.41	
50 - 60	0.29	0.52	
<u>Drill Hole PH 4 @ -30°</u>	STA 0+150 PH4 = PH14 Total length = 60'		
10 - 20	0.31	0.38	
20 - 30	0.23	0.30	
30 - 40	0.27	0.34	
40 - 50	---	--- missing	
50 - 60	0.13	0.20	
<u>Drill Hole PH 5 @ -30°</u>	STA 0+180 PH5 = PH15 Total length = 70'		
20 - 30	0.29	0.31	
30 - 40	0.41	0.32	
40 - 50	0.17	0.24	
50 - 60	0.16	0.24	
60 - 70	0.26	0.33	
<u>Drill Hole PH6 @ -60°</u>	STA 0+205 PH6 = PH16 Total length = 180'		
20 - 30A	0.33	0.43	
20 - 30B	0.12	0.18	
30 - 40	0.32	0.37	
40 - 50	0.17	0.19	
50 - 60	0.30	0.26	
60 - 70	0.60	0.70	
70 - 80	0.27	0.33	
80 - 90	0.74	0.87	
90 - 100	0.61	0.58	
100 - 110	0.26	0.36	
110 - 120	0.11	0.12	
120 - 130	missing		
130 - 140	0.26	0.30	
150 - 160	0.27	0.31	
160 - 170	1.07	0.90	
170 - 180	0.19	0.27	

	<u>GOLD</u>	<u>SILVER</u>	<u>Cu</u>
	ounces per ton	ounces per ton	percent
<u>Drill hole PH 7 @ -30°</u>	STA 0+00 PH 7 = PH 17	Total Length = 60'	
20 - 30	0.12	0.21	
30 - 40	0.064	0.20	
40 - 50	0.20	0.20	
<u>Drill Hole PH 8 @ -45°</u>	STA 0+25 PH 8 = PH 18	Total Length = 70'	
20 - 30	0.29	0.28	
30 - 40	0.36	0.38	
40 - 50	0.072	0.28	
50 - 60	0.10	1.15	
60 - 70	0.087	0.37	
<u>Drill Hole PH 9 @ -45°</u>	STA 0+50 PH9 = PH 19	Total Length = 70'	
20 - 30	0.20	0.16	
30 - 40	0.16	0.24	
40 - 50	0.10	0.18	
50 - 60	0.18	0.45	
60 - 70	0.20	0.29	
70 - 80A	0.13	0.20	two samples marked
70 - 80B	0.086	0.14	70-80 (A & B)
<u>Drill Hole PH 10 @ -60°</u>	STA 0+75 PH 10 = PH 20	Total Length = 80'	
10 - 20	0.22	0.30	
20 - 30	0.22	0.23	
30 - 40	0.12	0.33	
40 - 50	0.11	0.80	
50 - 60	0.11	0.36	
60 - 70	0.075	0.32	
70 - 80	0.034	0.24	

SCHEMATIC OF DRILLING PATTERN



REFERENCES

- Young, G.A. and Uglow, W.K. The Iron Ores of Canada Volume 1, British
1926 Columbia and Yukon G.S.C. Economic Geology
Serie No. 3.
- Muller, J.E., Northcote, K.E., and Carlisle D.
1974 Geology and Mineral Deposits of Alberni
map-area, British Columbia (92F); G.S.C.
Paper 68-50

Appendix I

George Cross News Letter
July 12, 1979 to Feb. 21, 1980

NOMAD MINES LIMITED

July 12, 1979

Results From Percussion Drill Program

Hole No.	Intersection	Oz. Gold/t	Oz. Silver/t	Copper
PH 8	40 ft.-50 ft.	0.072	0.28	0.14%
	50 60	0.10	1.15	0.15
	60 70	0.087	0.37	0.30
PH 9	50 60	0.18	0.45	0.13
PH 10	30 40	0.12	0.33	0.04
	40 50	0.11	0.80	0.06
	50 60	0.11	0.36	0.11
	60 70	0.075	0.32	0.23
	70 80	0.034	0.24	0.23

Doug Chapman, president of Nomad Mines Limited, has reported that the recently acquired property at Sarita River, near Bamfield, Vancouver Island, B.C. shipped high grade iron ore to the smelter at Tacoma, Washington, U.S.A. in the early 1900's. This ore was taken from adits driven along the limestone replacement zones discovered at the north end of the claims near sea level. Prospecting in the 1960's exposed several mineralized zones trending southeast and lying

within a shear zone over a mile in length. Trenches along the shear zone contain copper, lead, zinc and gold. This shear zone strikes through the centre of the present claims area.

Mr. Chapman stated that a recent examination of the northern end of the zone with a percussion drill assayed as shown in the box above.

The average of the sections is 0.09 oz. gold per ton, 0.5 oz. silver per ton and indicates an approximate value of \$28.00 per ton. All the above holes finished in mineralization and are to be extended in the recommended program by the consultant, J.W. McLeod.

Mr. Chapman states that the width and extent of this new discovery has yet to be defined and it is too early to determine if open pit mining possibilities exist, but the discovery is exciting. A three-phase \$75,000 program of percussion drilling, mapping and diamond drilling has been approved for the property.

Nomad reported on July 10, 1979 receipt of \$49,131 by sale of all 300,000 shares by way of a best efforts offering.

By an agreement dated Feb. 10, 1979, Nomad acquired from D.A. Chapman seven crown granted mineral claims in Sarita River area for \$5,000 payable forthwith, 2% net smelter royalty and 200,000 shares and from Roy Carlson, three adjacent located mineral claims for \$1,500 payable forthwith and 150,000 shares. The total 350,000 shares are issuable as to 60,000 on completion of the recommended Phase I exploration and the Exchange's acceptance of an engineer's progress report and the balance in allotments over nine months subject to continuing work and acceptable progress reports.

NOMAD MINES LTD.

August 13, 1979

Hole No.	Intersection (Feet)	Gold Oz/Ton	Silver oz/Ton
PH 11	20 - 30	0.28	0.30
PH 12	*20 - 30(A)	0.20	0.21
	*20 - 30(B)	0.29	0.32
	40 - 50	0.12	0.17
	50 - 60	0.14	0.02
	60 - 70	0.14	0.10
	80 - 90	0.14	0.18
	90 - 100	0.30	0.33

Nomad Mines Ltd. is continuing their program of percussion drilling on the Santa Sarita gold property near Bamfield, Vancouver Island, B.C. The holes are being drilled at short intervals to determine limits of the gold discovery zone. Assays from drill holes PH 11 and PH 12 are shown in the adjoining table. 5 more holes are in for assay reports. The extent of the ore zone drilled to date is approximately 150 feet by 100 feet and open in all directions. The average grade from assays to date is approximately 0.15 oz. gold per ton and about 0.4 oz. silver/ton with a value of \$40.00 per ton or better. Work on the present program will continue. See GCNL 134, 12 July 79, page 4, for back-

* Both tags marked 20-30. Nomad have designated them as A & B.

ground on the property.

NOMAD MINES LTD.

August 17, 1979

Drill Hole	Interval (Feet)	Gold Oz/Ton	Silver Oz/Ton
PH 13	10 to 20	0.23	0.22
	20 to 30	0.20	0.23
	30 to 40	0.090	0.10
	40 to 50	0.16	0.41
PH 14	50 to 60	0.29	0.52
	10 to 20	0.31	0.38
	20 to 30	0.23	0.30
	30 to 40	0.27	0.34
	50 to 60	0.13	0.20

PRECIOUS METAL
ASSAYS REPORTED

In presenting the tabulated assays yielded by the Phase 1 exploration program of Nomad Mines Ltd. on the Sarita River property, near Bamfield, Vancouver Island, president Doug Chapman points out that the average grade from the gold discovery zone is approximately 0.17 oz. gold/ton and around 0.30 oz. silver/ton. The zone tested to date measures about 200 feet by 100 feet and is open in strike, width and depth. Value of the metal content of the material would exceed \$40 per ton at the current price of gold and Mr. Chapman says the zone is amenable to open pit operation. See GCNL 134 and 155(79) for further detail.

NOMAD MINES LTD.

August 21, 1979

Drill Hole	Interval (Feet)	Gold Oz/Ton	Silver Oz/Ton	Drill Hole	Interval (Feet)	Gold Oz/Ton	Silver Oz/Ton	Drill Hole	Interval (Feet)	Gold Oz/Ton	Silver Oz/Ton
PH 15	20 - 30	0.29	0.31	PH 16	30 - 40	0.32	0.37	PH 16	100 - 110	0.26	0.36
-30°	30 - 40	0.41	0.32	-60°	40 - 50	0.17	0.19	-60°	110 - 120	0.11	0.12
	40 - 50	0.17	0.24		50 - 60	0.30	0.26		130 - 140	0.26	0.30
	50 - 60	0.16	0.24		60 - 70	0.60	0.70		150 - 160	0.27	0.31
	60 - 70	0.26	0.33		70 - 80	0.27	0.33		160 - 170	1.07	0.90
PH 16	20 - 30A*	0.33	0.43		80 - 90	0.74	0.87		170 - 180	0.19	0.27
-60°	20 - 30B*	0.12	0.18		90 - 100	0.61	0.58				

Doug Chapman, president, reports that Nomad Mines have completed the first stage of Phase 1 of their exploration drill program on their Sarita River property near Bamfield, Vancouver Island. Assays of the last two holes are shown in the above table. See also GCNL 159, 155 and 134(79).

Two samples submitted for assay were marked as from 20 to 30 feet. The company say this was an error. One is from the 10 to 20-foot interval.

INITIAL HOLES WERE OFF PROPERTY. - On various dates from 12July79 to 17Aug79, Nomad Mines RESULTS OF CURRENT DRILLING ON Ltd. reported assay results received from the assayer COMPANY CLAIMS ARE ENCOURAGING on various dates from 9Mar79 to 9Aug79 being of samples from 10 percussion holes drilled on February 22,23 and 24,1979. Nomad shares were suspended from trading on 20Aug79 by Vancouver Stock Exchange and, at the Exchange's request, two check holes were drilled with the results of the original and check holes as shown in the following table. Al Sweeney, director, who was present while the original drilling was done, has reported that owing to the reconnaissance nature

Footage	Gold (Oz/Ton)		Silver (Oz/Ton)	
	Original	Check Hole	Original	Check Hole
	PH12	N2T	PH12	N2T
10- 20		0.11		0.24
20- 30	0.20		0.21	
	0.29	0.14	0.32	0.16
30- 40		0.19	0.19	0.19
40- 50	0.12	0.04	0.17	0.06
Average:	0.20	0.12	0.23	0.16
	PH16	N6T	PH16	N6T
10- 20		0.002		0.13
20- 30	0.33		0.43	
	0.12	0.15	0.18	0.17
30- 40	0.32	0.090	0.37	0.14
40- 50	0.17	0.13	0.19	0.14
50- 60	0.30	0.20	0.26	0.33
60- 70	0.60	0.004	0.70	0.08
70- 80	0.27	0.050	0.33	0.02
80- 90	0.74	0.11	0.87	0.09
90-100	0.61	0.12	0.58	0.22
100-110	0.26	0.070	0.36	0.09
110-120	0.11	0.10	0.12	0.08
120-130		0.10		0.18
130-140	0.26	0.13	0.30	0.17
140-150	0.27	0.050	0.31	0.02
150-160	1.07	0.040	0.90	0.06
160-170	0.19	0.020	0.27	0.03
Average:	0.37	0.07	0.41	0.12

of the program no records were kept of the exact hole location, or hole angles or direction of drilling. Locations of the 10 holes drilled by Nomad in February and of the 2 check holes were surveyed by a B.C. Land Surveyor who determined that all holes were on the Numakimus Indian Reserve No.1, more than 300 feet from the company boundary, not on the company's claims. Nomad have now concluded an agreement with the Ohiat Indian Band Council and approved by the Department of Indian and Northern Affairs, granting the company exclusive rights to explore on that portion of the Reserve between the company claims and the south shore of the Sarita River. The terms for distribution of any proceeds from any production from that Reserve land have not yet been made final or part of a contract.

Since the shares were suspended from trading, Nomad drilled one diamond drill hole some 50 feet deep to test a showing on company ground about 1 mile south of the percussion drilling. Philip Lieberman, president, and T.F. Bowes, director, say the core indicated favorable mineralization even though recovery was poor. Assays of samples from 2 to 50 feet ranged from 0.002 oz. gold and 0.18 oz. silver/ton to 0.10 oz. gold and 3.90 oz. silver/ton. - Continued on Page Four -

Notes: 1. Holes PH2 and PH6 have been renumbered PH12 and Ph16, respectively, as in table.
 2. Two samples in Hole PH12 and two in Ph16 were labelled as from 20 to 30 feet. Their correct identity is not known.

Hole No.	Interval (Feet)	Gold Oz/Ton	Silver Oz/Ton	Hole No.	Interval (Feet)	Gold Oz/Ton	Silver Oz/Ton	Hole No.	Interval (Feet)	Gold Oz/Ton	Silver Oz/Ton
N-1	10- 20	0.072	0.12	N-1	140-150	0.110	0.02	N-2	80- 90	0.358	0.03
	20- 30	0.030	trace		150-160	0.094	0.02		90-100	0.218	0.13
	30- 40	0.064	trace		160-170	0.497	0.11		100-110	0.382	0.05
	40- 50	0.134	0.24		170-180	0.236	0.23		110-120	0.250	0.26
	50- 60	0.042	trace		180-190	0.186	0.60		120-130	0.212	0.05
	60- 70	0.086	0.05		190-200	0.124	0.05		130-140	0.128	0.02
	70- 80	0.088	0.02	N-2	20- 30	0.002	trace		140-150	0.223	0.11
	80- 90	0.114	0.06		30- 40	0.002	trace		150-160	0.210	0.06
	90-100	0.132	0.05		40- 50	0.002	0.03		160-170	0.182	0.03
	100-110	0.214	0.15		50- 60	0.002	trace		170-180	0.188	0.05
	110-120	0.122	0.05		60- 70	0.182	0.10		180-190	0.255	0.14
	120-130	0.248	0.18		70- 80	0.116	0.05		190-200	0.102	0.20
	130-140	0.158	0.07								

- This hole is on the southern of two mineralized zones, 1000 feet apart, outlined by geophysical surveys. As recommended by Donald Tully, P.Eng., a percussion drilling program is in progress. Five holes have been completed. Assays of the first two are shown in the table on the bottom of page two and include interesting gold values. In the third hole, drilling problems prevented any recovery. Assays from Holes 4 and 5 are expected soon.

NOMAD MINES LTD.

January 9, 1980

EXPANDED DRILLING PROGRAM
TO BE CONSIDERED BY DIRECTORS

- Philip Lieberman, president of Nomad Mines Ltd. told the Jan. 8, 1980 annual shareholders meeting that an early directors meeting will consider a plan to extend the drilling program on the Sarita River gold-copper property by 30 further holes. He told the meeting that the first ten holes drilled on the property were located on the Indian Reserve upon which the company now has an agreement to conduct exploration. The next six holes have been drilled on the company's staked and Crown granted claims to the south of the Indian Reserve. The early results from these six holes show that gold mineralization exists on the owned claims. The next 30 holes when undertaken will be in the area of the six holes in an effort to extend the area of mineralization. No further work will be done on the Indian Reserve lands until a formal operating contract has been concluded. He told the meeting that the discussion with the Indian Chief had been to the effect that the Band would be entitled to 10% of the net smelter returns from any material extracted from the Reserve. These terms have not yet been put in a contract. (See GCNL No. 3, Jan. 4, 1980, page two and page four for assay results from some of the holes drilled to date.) The property is near Bamfield, Vancouver Island, B.C.

Since the results of the two most recent drill holes have been reported, representatives of a number of major companies have expressed interest in making exploration and financing agreements on the property. The president said these discussions will be continued as will discussions toward an underwriting. The meeting approved increasing the authorized capital of the company from 5,000,000 to 10,000,000 shares, of which there are presently 3,272,885 shares issued. Stock options to directors were approved by shareholders, being 10,000 shares to Mary Horn and 130,000 shares to Philip Lieberman, both at 25¢ per share.

Directors elected are: P. Lieberman, Mary Horn, Arthur Ashton, P. Eng., Patrick Bowes, and Al Sweeney.

The meeting spent considerable time discussing the timing and progress being made toward meeting the requirements of the Vancouver Stock Exchange prior to having the shares of the company permitted to resume trading. The shares were suspended Aug. 20, 1979, pending investigation of the high grade gold assay results from the initial drilling. No indication as to when the trading might resume was given to the meeting except to say that all possible effort is being made to meet the requests of the Vancouver Stock Exchange.

The meeting was also told the plan is to resume exploration on the company's Happy Sullivan gold property, located on Taku Arm, Tagish Lake, near Atlin, northwestern B.C. in the Spring. Work is expected to include road construction, bulk sampling and surface trenching of the favourable structure.

JANUARY 14, 1980

NOMAD MINES LTD.

HARE TRADING TO RESUME - Nomad Mines Ltd. shares, suspended Aug. 20, 1979, will resume JAN. 20, 1980 ON CURB EXCHANGE trading Jan. 14, 1980, Vancouver Curb Exchange having reviewed Nomad's drilling in the Sarita River area, Vancouver Island, B.C. (See GCNL No. 5 and No. 6(80) for property background) The three most recent property drill holes returned only trace amounts of gold with the reason given being the loss of circulation and poor sample recovery. A program of a further 30 holes will start Jan. 12, 1980 if property conditions permit. Philip Lieberman, president of Nomad stated that the company has received a commitment for a firm underwriting which will be announced in a few days subject to regulatory approvals.

NOMAD MINES LTD.

February 7, 1980

NEW PERCUSSION HOLE ASSAYS - A.S. Ashton, P. Eng., director of Nomad Mines Ltd., has reported CONFIRM EARLIER HOLE RESULTS ted assay results from two recent holes on the Sarita River gold property, 50 miles west of Port Alberni, Vancouver Island, B.C. The holes were drilled to further test a zone of sheared phillites and crushed limestone which had been tested by two earlier percussion holes. The earlier hole No. N-1 cut from 10 ft. to 200 ft., an average of 0.145 oz. gold per ton. No. N-2, located 670 feet southwest of No. N-1, cut from 60 ft. to 200 ft., an average of 0.2147 oz. gold per ton. Hole No. N-1 is located on Nomad property 200 ft. south of the boundary with the Numakimus Indian Reserve No. 1.

The new holes No. N-7 and No. N-8 provided the following results.

No. N-7, located 100 ft. southwest of No. 1, from 10 ft. to 170 ft. returned an average of 0.191 oz. gold per ton, 0.12 oz. silver per ton. No. N-7 was a vertical hole. No. N-8 is located 10 ft. northwest of No. N-1 and, from 20 ft. to 290 ft., returned an average of 0.197 oz. gold per ton, 0.08 oz. silver per ton, including a 10-foot section from 210 to 220 ft. assaying 0.984 oz. gold per ton.

As important as the assays themselves are, it is equally important that the two new holes had comparable grades on the same structure.

The company has drilled holes No. N-1 through No. N-16. Assay results are awaited from No. N-6 and from No. N-9 through No. N-16.

A start to diamond drilling of the area tested by the percussion holes is expected in about the next ten days.

The company also has a program of Winkie drilling underway some 5,000 feet to the south of the No. N-1 hole, where copper-gold-silver values of interest are being received.

Financing for the next phases of exploration of the property has been negotiated.

NOMAD MINES LTD.

February 21, 1980

TWO FURTHER HOLES REPORTED - A.S. Ashton, P. Eng., director of Nomad Mines Ltd., has reported assay results from two recent percussion holes, No. 9 and No. 13, drilled on the Sarita River gold property, 50 miles west of Port Alberni, Vancouver Island, B.C. Hole No. H-9 at -70°, located 20 feet north of N1, drilled to a depth of 300 feet with a 50% recovery returned an average of 0.84 oz. gold/t. Hole No. H-13 at -70° to the west, located 70 feet south east of N1, drilled to a depth of 300 feet with a 40% recovery, returned an average of 0.057 oz. gold per ton.

Over the last six months a private source has supplied financing for Nomad Mines with the total now in excess of \$200,000. Further private financing has enabled the company to purchase a 20 man campsite of four trailers and a truck.

The company is in the process of acquiring a diamond drill. A new diamond drill program will get under way within the next two weeks and the company proposes to drill several test holes to an approximate depth of 1,500 feet to evaluate the depth of the mineralization.

Appendix II

Nomad Mines Ltd.
(Letter to Share Holders)

NOMAD MINES LIMITED (N.P.L.)

LETTER TO SHAREHOLDERS

NOMAD MINES LTD.

Nomad Mines Ltd has acquired the option to purchase seven crown grants and 3 adjoining claim groups in the Sarita River Areas near Bamfield on the West Coast of Vancouver Island.

Shipments of high grade iron ore were barged to the smelter at Tacoma Wahington in the early 1900's. This ore was taken from adits driven along the limestone replacement zones discovered at the North end of the claims very near sea level.

Prospecting by the President, Mr. Chapman, in the 1960's exposed several mineralized zones trending southeast and lying within a shear zone over a mile in length. Trenches along the shear zone contain copper, lead, zinc and gold. This shear zone strikes through the centre of the present claims area.

A recent examination of the northern end of the zone with a percussion drill assayed as follows:

		GOLD ounces per ton	SILVER ounces per ton	Cu percent
Drill Hole PH 8				
	40 - 50	0.072	0.28	0.14
	50 - 60	.10	1.15	0.15
	60 - 70	0.087	0.37	0.30
PH 9				
	50 - 60	0.18	0.45	0.13
PH 10				
	30 - 40	0.12	0.33	0.04
	40 - 50	0.11	0.80	0.06
	50 - 60	0.11	0.36	0.11
	60 - 70	0.075	0.32	0.23
	70 - 80	0.034	0.24	0.23

The average of the above sections is 0.09 oz of gold and 0.5 oz silver and indicates an approximate value of \$28 per ton. All the above holes finished in mineralization and are to be extended in the recommended program by the consulting Geologist, J.W.McLeod.

The width and extent of this new discovery has yet to be defined and it is too early to determine if open pit mining possibilities exist, but the discovery is an exciting prospect for the company. A three phase \$75,000 program of percussion drilling, mapping and diamond drilling has been approved for the immediate development of the Sarita Property for Nomad Mines.



Doug Chapman
President

Nomad Mines Ltd.

Head Office: 1202 - 750 WEST PENDER STREET, VANCOUVER, B.C. V6C 2T

Telephone: (604) 699-1100

August 14, 1979

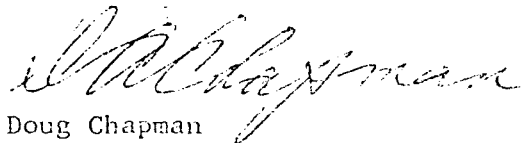
LETTER TO THE SHAREHOLDERS

Nomad Mines Ltd has received the following assays from their Phase 1 Exploration Program on the Sarita River Property, near Bamfield on Vancouver Island.

	GOLD ounces per ton	SILVER ounces per ton
Drill Hole PH 13 *		
10 - 20	0.23	0.22
20 - 30	0.20	0.23
30 - 40	0.090	0.10
40 - 50	0.16	0.41
50 - 60	0.29	0.52
PH 14 *		
10 - 20	0.31	0.38
20 - 30	0.23	0.30
30 - 40	0.27	0.34
50 - 60	0.13	0.20

The average grade of ore from the gold discovery zone is approximately 0.17oz gold/ton and around 0.30 oz silver/ton. The zone tested to date is approximately 200 feet X 100 feet wide and is open in strike, width and depth.

The ore values will exceed \$40 per ton with the current price of gold and the zone is amenable to open pit operation.


Doug Chapman
President

* should be also send to
J.T.N. (Ken Addison Mines Ltd)

Nomad Mines Ltd.

Head Office: 1202 - 750 WEST PENDER STREET, VANCOUVER, B.C. V6C 1

Telephone: (604) 669-1100

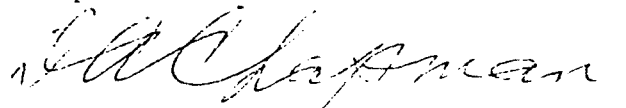
August 17, 1979

LETTER TO THE SHAREHOLDERS

Recent assays received from Nomad Mines Ltd Phase I Exploration Drilling Program on the Sarita River Gold Discovery Zone are as follows:

Drill Hole PH 8 (previously reported)	GOLD ounces per ton	SILVER ounces per ton	Cu percent
40 - 50	0.072	0.28	0.14
50 - 60	0.10	1.15	0.15
60 - 70 *	0.087	0.37	0.30
Completion of Drill Hole PH 8 and tagged for Au/Ag Assay as PH 18			
PH 18 * 20 - 30	0.12	0.21	
30 - 40	0.064	0.20	
40 - 50	0.20	0.20	
Drill Hole PH 9 (previously reported)			
50 - 60	0.18	0.45	0.13
Completion of Drill Hole PH 9 and tagged for Au/Ag as PH 19			
PH 19 20 - 30	0.20	0.16	
30 - 40	0.16	0.24	
40 - 50	0.10	0.18	
60 - 70	0.20	0.29	
*70 - 80A	0.13	0.20	
*70 - 80B	0.086	0.14	
* Two samples marked 70 - 80			
Drill Hole PH 10 (previously reported)			
30 - 40	0.12	0.33	0.04
40 - 50	0.11	0.80	0.06
50 - 60	0.11	0.36	0.11
60 - 70	0.075	0.32	0.23
70 - 80	0.034	0.24	0.23
Completion of Drill Hole PH 10 and tagged for Au/Ag assay as PH 20			
PH 20 10 - 20	0.22	0.30	
20 - 30	0.22	0.23	
Drill Hole PH 17 (approx. 75ft east of PH 10)			
20 - 30	0.12	0.21	
30 - 40	0.064	0.20	
40 - 50	0.20	0.20	

The ore is consistent throughout the zone drilled to date with values exceeding \$40 per ton (\$46 U.S.) from what appears from surface to be a possible open pit operation.


Doug Chapman
President

* These are drill hole results
for PH-7

Nomad Mines Ltd.

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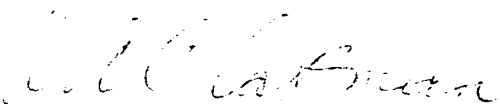
August 22, 1979

LETTER TO THE SHAREHOLDERS

Nomad Mines Ltd. wishes to inform their shareholders that they will commence percussion drilling Saturday August 25, 1979, to complete Phase 1 of their exploration program on their exciting new gold discovery zone.

The property is located on the West Coast of Vancouver Island, near Bamfield B.C. and is open year round for field work access.

The following is an up to date summary of the percussion drill hole assays received from Bondar-Clegg Ltd. Laboratories.



Doug Chapman
President.

Appendix III

Iron Ores of Canada
Sarita River Deposit
G.S.C. Economic Geol.
Series #3, Vol.1 p.191.
1926, Young, G.A., Uglow, W.L.

(47 a) Sarita River Deposit

(See Figure 31)

LOCATION

The Sarita River group of Crown-granted mineral claims is located along the south shore of Sarita river about one mile from its mouth, and consists of the following locations: Black Bear, Union, Eureka, Southern Cross, United, Midday, and British Pacific. As far as can be ascertained, the magnetite deposit occurs on the Union and Black Bear claims or on adjoining land of the Indian Reserve, near the western end of a ridge, where it drops off sharply into the valley of a small creek tributary to Sarita river.

The deposit may be best reached by ascending Sarita river in a small boat at high tide for a distance of about one mile, to a point where a foot trail from the showings reaches the shore of the river. This trail is 600 yards long and follows the east bank of the small creek above mentioned to the base of the bluff of magnetite where the portal of the tunnel is located. Some years ago, there was a trail leading from the shore of Barkley sound, opposite Santa Maria island, overland to the Sarita deposit, but this trail is now impassable.

The country in which the deposit occurs is one of low, gentle slopes, heavily timbered with hemlock, balsam, and spruce, the interspaces being thickly clothed with salal, ground hemlock, and alder. A mantle of glacial drift covers the bedrock, in some places only as a thin veneer, but in others to a depth of several feet. Throughout the extent of the magnetite showings, however, the drift does not seem to average more than 5 or 6 feet deep.

The showings (See Figure 31) extend in an intermittent, crescent-shaped series of pits, open-cuts, trenches, and shallow shafts from the portal of the tunnel for 1,000 feet in an easterly direction, the convex side of the crescent facing the north. At the portal of the tunnel, which is the lowest point on the property, the elevation is only 30 feet (barometric) above sea-level; but this increases rapidly in a westerly direction up over the bluff of magnetite, to a plateau-like extent of ground with elevations of 130 to 160 feet; the highest magnetite outcrop on this plateau-like surface being 120 feet in elevation above the portal of the tunnel. The bluff of magnetite at the tunnel mouth rises vertically for 25 feet, and then the ground slopes up more gradually towards the west, attaining an elevation of 130 feet above sea-level in a lateral distance of 200 feet. There is no trail from the tunnel mouth to the other workings.

Sarita river, which drains Sarita lake, is a fine stream of water from 200 to 250 feet wide, and from 2 to 6 feet deep, with an average current of $1\frac{1}{2}$ to 2 miles per hour.

HISTORY AND OWNERSHIP

These deposits were staked prior to 1900 by a prospector named Logan who was engaged by the late William Wilson, of the firm of W. and J. Wilson, Government street, Victoria, B.C., and Captain John Irvine, who had been manager of the Canadian Pacific Navigation Company; and Logan retained an interest in the claims. About 1902, it was discovered that the Sarita magnetite deposits (or part of them) were on an Indian reserve, so that a lease was taken on the property. Both the claims and the leased ground were bonded to Homer Swaney, of Pennsylvania, who was expending a great deal of money in an investigation of the iron ore deposits of British Columbia, and who had recently purchased the Irondale blast furnace at Irondale, Washington, from the Puget Sound Iron Company. Swaney was drowned in a shipwreck near Victoria, and on the settlement of his estate, the Irondale furnace passed to the Moore Investment Company, of Seattle. Later the Moore Investment Company became bankrupt, and the iron deposits reverted to Wilson, Irvine, and Logan. Sometime afterwards, the lease was cancelled by the Indian Department on default of annual payments, but the mineral claims are owned by the Sarita and Copper Island Partnership, whose address is in care of W. Wilson, 1221 Government street, Victoria, B.C.¹

¹ Memorandum from W. M. Brewer, 1925.

Most of the exploration, including the tunnel, was done prior to 1903, as geological sketches of the workings are given by Carmichael in 1902 (6, page 215).

In 1922, W. M. Brewer was called upon to furnish some iron ore for experimental purposes under the provisions of the "Iron-Ore Supply Act, 1919" and he secured about 10 tons from the old dumps at the entrance to the adit on this property. This ore was shipped to the Vancouver Engineering Works to be mixed with scrap iron and steel in their electric furnace operations.

GEOLOGY

The deposit occurs within a country of white to grey limestone, intruded in places by hornblende diorite of the Beale formation. In only a few places are bedding structures visible in the limestone. One of these is at the bottom of the winze, 30 feet from the portal of the tunnel, where the stratification of the limestone is almost horizontal; and another is in the large central exposure of limestone, where indications also point to a general horizontal attitude or low angle of dip. The flatness of the boundaries of several magnetite exposures in limestone also points indirectly to the above conclusion.

Apart from one or two small surface exposures near the bluff at the western end of the deposit, no diorite is exposed at the surface, whereas on the other hand, the inner 75 feet of the tunnel is in solid hornblende diorite. This fact, combined with the distribution of the two rocks as shown on Figure 31, leads to the inference that the ridge on which the deposit occurs is underlain by a boss of diorite whose contact with the limestone undulates about the plane lying at a shallow depth below the surface. Garnetized limestone and solid masses of brown garnet occur in some places near the intrusive contact; in other places, silicified limestone with bountiful disseminations of pyrite occurs.

OCCURRENCE OF THE MAGNETITE

Magnetite occurs in solid masses of irregular shape, mainly within the limestone or associated with garnetized portions of it. In the tunnel, the lode is observed to occupy a position between diorite on the east and limestone on the west, and to have similar relations to those rocks as were exhibited by the magnetite deposits of Bugaboo creek. In no other part of the property is it seen in contact with diorite, but the presence within the magnetite of residual fragments of limestone, together with its occurrence in irregular-shaped masses in association with the characteristic contact silicates brands the lode as a contact deposit.

The irregular structure of the deposit may be illustrated by the following observed facts: (a) A few feet southwest of the portal of the tunnel, the magnetite is in sharp contact with a mass of limestone, the contact dipping to the northeast under the magnetite; (b) within the tunnel, the contact of diorite and magnetite dips southeasterly with the diorite on top of magnetite; (c) the innermost 30 feet of the tunnel is in diorite, but 75 feet above this on the surface is a stripping and open-cut exposing magnetite mixed with limestone, but no diorite; (d) the section on line E-F (Figure 31), shows a thickness of about 10 feet of magnetite lying with a nearly flat contact on top of limestone and its contact metamorphosed phase.

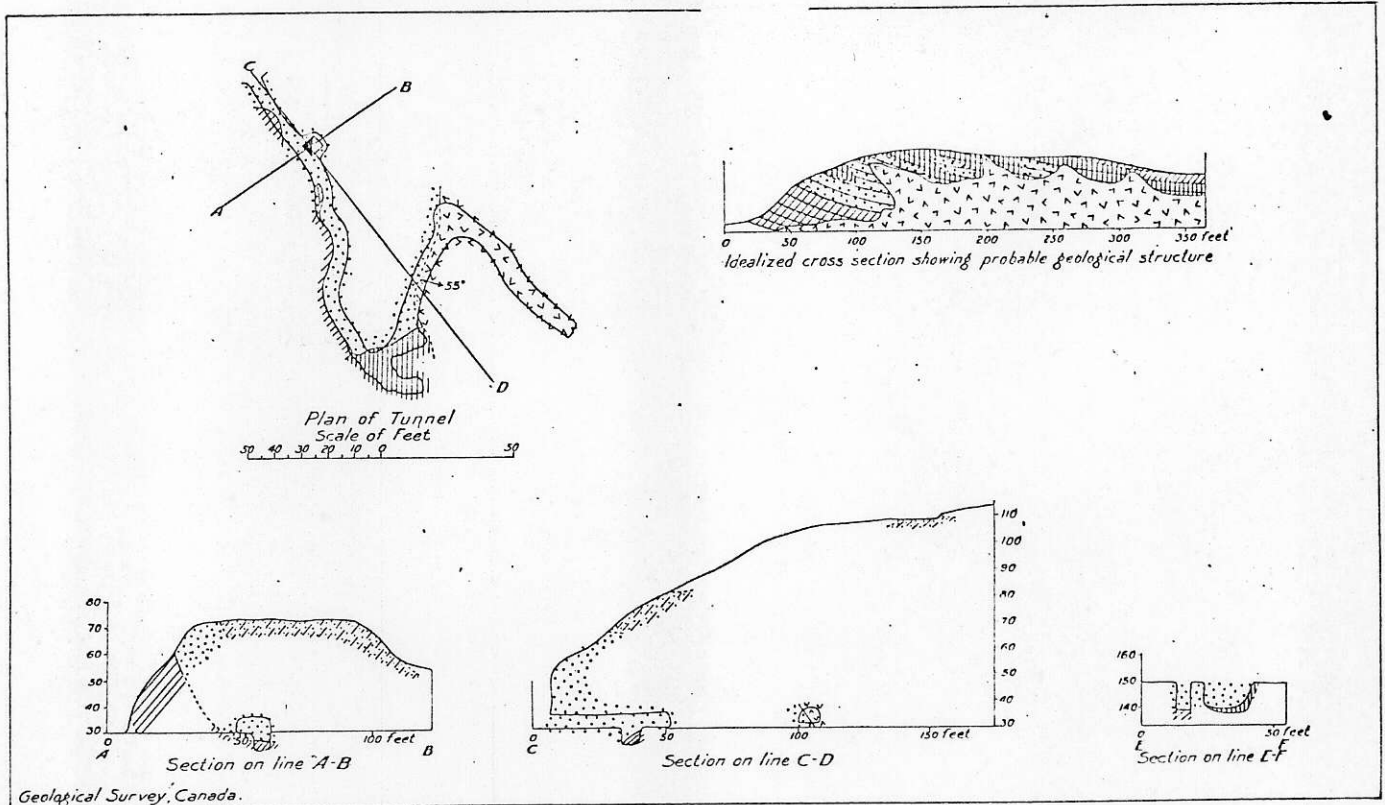
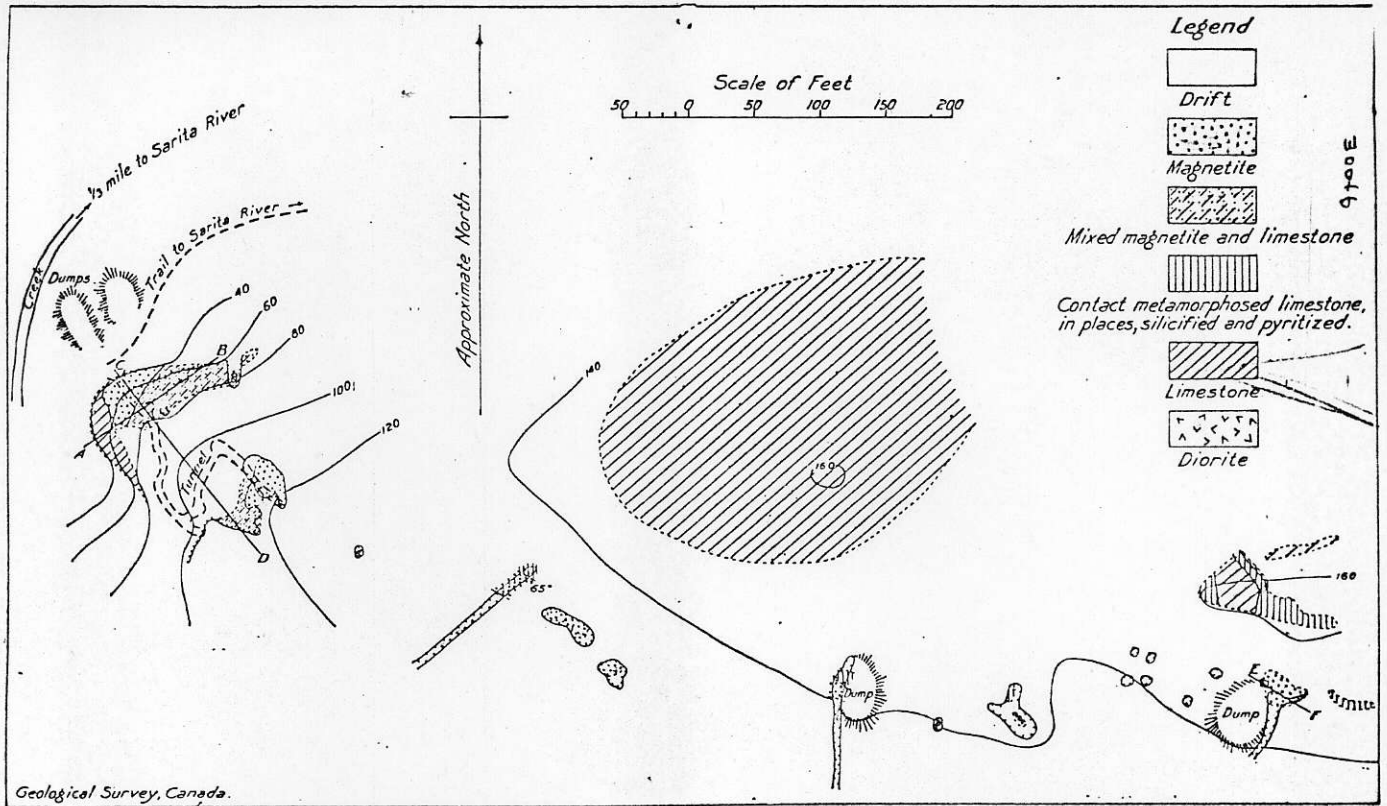


Figure 31. Magnetite deposit, Sarita river, Vancouver island, B.C. Contour interval, 20 feet.

The accompanying figure shows a belt of magnetite exposures in open-cuts, strippings, and a shallow shaft for a total length of 920 feet, but these are separated by intervals of drift varying in width from 25 to 180 feet. These artificial exposures show no relationship between magnetite and rock, nor between diorite and limestone. Since many of these are merely strippings, they afford very little information other than the surface extent of the magnetite, except in the case of one long-trench where an ore layer may be observed to dip 65 degrees to the southwest. A marked impression is created that these exposures have little relationship to one another and that they are entirely unconnected. They seem to be the exposed parts of a series of irregular-shaped masses of magnetite whose principal extent is nearly horizontal rather than vertical.

An attempt has been made on Figure 31 to separate exposures of nearly solid magnetite from other areas characterized by magnetite bunches and stringers in limestone.

CHARACTER OF THE MAGNETITE

The magnetite in the bluff at the west end of the property, and within the tunnel, is a medium-grained, hard, dull black variety containing only a very small amount of visible sulphides. It is also to a large extent free from inclusions of silicates, but contains fragments of unreplaced limestone. Towards the east end of the showings, more pyrite is found in the magnetite, and there is a greater mixture with bunches of silicates. This may be due to the fact that in this part of the zone the individual masses of magnetite are smaller than towards the west.

ORIGIN OF THE DEPOSIT

The deposit is undoubtedly a partial replacement of a limestone inclusion or elongated roof pendant in the Beale diorite. The localization of the magnetite in the tunnel between diorite and limestone, as well as the development of the typical contact lime-alumina silicates, and the sporadic nature of the individual showings, prove the replacement to have taken place under contact metamorphic conditions.

ECONOMIC CONSIDERATIONS

Extent of Deposit

Exposures occur at intervals for a distance of 920 feet, but at no point except at the portal of the tunnel is a greater width than 40 feet of solid magnetite exposed. In the bluff at the west end of the deposit there is a width of about 60 feet of solid ore with an additional 20 or 30 feet of mixed limestone and magnetite. In all of these cases it is impossible to determine the direction, and consequently the amount of true width. Above the portal of the tunnel, there is continuously exposed a vertical height of 40 feet of magnetite; but with the exception of this and a 10-foot depth in the shallow shaft at the east end of the property, the greatest exposed depth is not over 2 or 3 feet.

Development

One tunnel, 295 feet long, at the level of the lowest exposure, a 10-foot shaft, about a dozen open-cuts, strippings, and trenches showing magnetite, and many others that do not, constitute the entire development of the deposit. The tunnel level exposes magnetite at a depth of 120 feet below the highest surface exposure. From a mining standpoint the deposit is handicapped by being located so close to sea-level as to prohibit much development by tunnelling methods.

Analyses

There are many analyses available in private reports and published literature, and these are here quoted for what they are worth. Most of them are taken from the bluff of magnetite at the west end or from the magnetite within the tunnel. It is reasonable to expect that surface leaching may have removed sulphur from this part of the deposit, making the analyses quoted lower in sulphur than the average for the deposit. No sampling was undertaken by the writer.

	A	B	C	D	E	F	G	H	J	K
Iron.....	64.3	59.82	57.60	57.84	60.50	60.12	60.89	63.7	63.8	52.4
Insoluble.....	3.69						3.81			
Silica.....		5.59	6.00	6.70	2.94	3.40		3.85	4.2	4.6
Sulphur.....	1.68	4.85	2.41	0.41	0.10	0.76		0.3	0.55	0.2
Phosphorus.....	0.009	0.024	0.023	0.013	0.006	0.016	0.004	Trace	Trace	Trace
Manganese.....	0.44									
Titanium.....	Trace	0.05	0.01	Nil	Nil					Nil

A. d'Inwilliers, E. V.: private report, 1900; large general sample along the face of main bluff for 87 feet, as well as from loose ore blown out in blasting.

B. Winchell, H. V.: private report, 1902; said to represent an average sample of the bluff deposit.

C. Ditto, 5-foot sample in tunnel.

D. Ditto, 6-foot sample in winze in tunnel.

E. Ditto, sample from ore pile, mouth of tunnel.

F. Ditto, sample from large open-cut, 300 feet west of tunnel.

G. Lindeman, E.: Bibliography, No. 16, average sample of ore pile.

H. Carmichael, H.: Bibliography, No. 6, sample from ore pile.

J. Brewer, W. M.: Bibliography, No. 21, sample from ore pile.

K. Brewer, W. M.: Ann. Rept., Minister of Mines, 1922, p. 226, average sample from shipment of 10 tons.

These nine samples, taken by five different engineers, from different parts of the deposit, reveal a remarkably uniform grade and a very high desirable tenor of ore. It is safe to say that the Sarita deposit as a whole contains, as far as present exploration goes, the highest grade of magnetite encountered along the west coast of Vancouver island.

Tonnage Estimate

Lack of information concerning the structure of this deposit renders futile any attempt at tonnage estimates. However, one might conservatively say that about 30,000 tons of probable ore occurs in the bluff near the portal of the tunnel, but this quantity would be of much lower grade than the analyses quoted above. Of this amount, about 5,000 tons may be considered as positive or proved ore. Approximately 400 tons of magnetite are in the two ore piles, which would increase the positive ore tonnage to 5,400.

No estimate of possible ore could be made without a knowledge of the structural geology of the deposit.

Value of the Deposit

This deposit has little or no value as an immediate source of iron ore. Considerable underground development as well as diamond drilling would require to be accomplished to determine its extent and value, but such an expenditure would not be warranted until such time as other larger deposits might have furnished the necessary supply of magnetite for the inception of an iron industry.

In spite of its small positive value as an iron ore producer, the Sarita River deposit has one or two interesting points of potential value. (a) It is possible that the ten or twelve small surface exposures are outcrops of bodies of magnetite, which, although they may not extend to any great depth, may spread laterally in nearly flat tabular or lenticular shapes. (b) There are other exposures of magnetite, in places mixed with pyrite and pyrrhotite, several hundred feet to the east, extending to where this east-west ridge meets Sarita river. Brewer (21) reports somewhere to the east, "an occurrence of magnetite on the east bank of a swampy creek that crosscuts the same ridge. . . . An open-cut 10 feet deep by 120 feet long has been made across a part of the ridge, exposing diorite on the south side, next magnetite 62 feet wide, then crystalline limestone 12 feet wide, then magnetite 45 feet wide, to limestone wall. In this deposit the magnetite is good grade." This locality could not be found during the investigation in 1924. (c) The Sarita River, Copper Island, and Sechart Peninsula deposits lie at intervals of 4 and 9 miles along a straight line having the Cordilleran trend. It is interesting to speculate as to whether other deposits might occur along this same line, but it is more than probable that no single zone of mineralization extends for that distance of 13 miles across Barkley sound.

Bibliography

See page 158 for further details

5. Kimball, J. P., pp. 25-26.
6. Carmichael, H., pp. 215-217.
16. Lindeman, E., pp. 12-13.
17. Clapp, C. H., p. 190.
20. Lindeman, E., and Bolton, L. L., pp. 10-11.
21. Brewer, W. M., pp. 16-18.
22. Whittier, W. H.
29. Ann. Rept., 1900, p. 920.
- Ann. Rept., 1901, p. 1096.
- Ann. Rept., 1902, pp. 224-225.

Appendix IV

Geological Report
on the
Sarita River Property
by
J. W. McLeod

GEOLOGICAL REPORT

On the

SARITA RIVER PROPERTY

Vancouver Island

Alberni M.D., B.C.

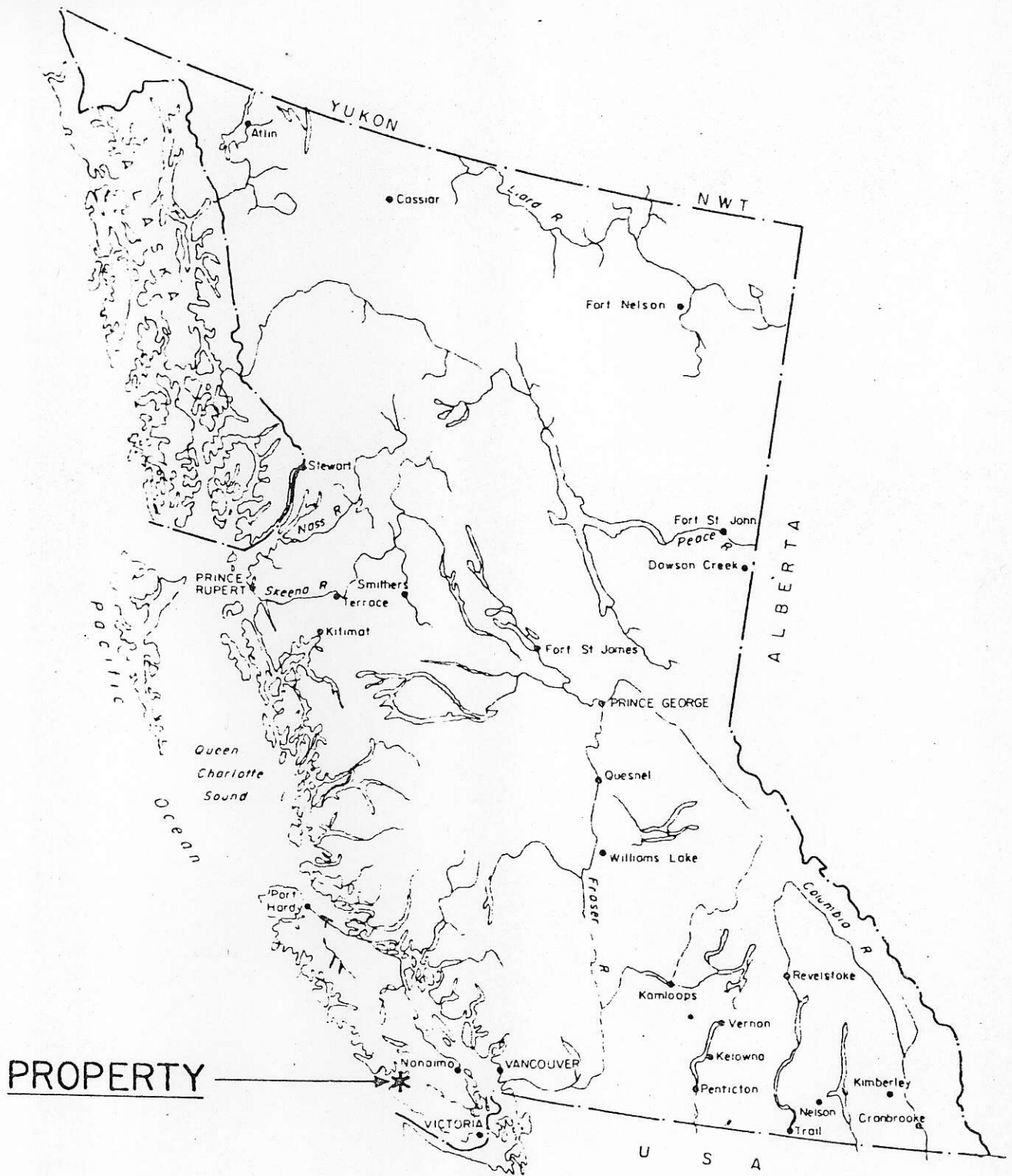
Lat. 48° 52'N; Long. 125° 00'W

For

NOMAD MINES LTD.

By:
James W. McLeod, B.Sc.

February 15, 1979



PROPERTY →

NOMAD MINES LTD.

SARITA RIVER PROPERTY

INDEX MAP

Scale: 1 inch = 136 miles
Feb. 1979

Sarita River Property

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FIGURES

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Claim Sketch

Map of Crown Grants with areas
of interest

- - -

GEOLOGICAL REPORT
SARITA RIVER PROPERTY
Vancouver Island, B.C.

SUMMARY

The Sarita River property is located near the mouth of the Sarita River, on the west coast of Vancouver Island. It is easily accessible by good gravel road from Port Alberni, B. C.

The property contains replacement showings of massive magnetite, chalcopyrite and galena-sphalerite which often carry significant gold and silver values. Further exploration work is required to determine the economic significance of these mineral occurrences.

RECOMMENDATIONS

It is recommended that a three-phase exploration program be undertaken, as outlined in this report. It is further recommended that Nomad Mines Ltd. allocate the sum of \$75,000 for this work.


James W. McLeod, B.Sc.

February 15, 1979

GEOLOGICAL REPORT
SARITA RIVER PROPERTY
Vancouver Island, B.C.

INTRODUCTION

During 1975-79 the writer visited the Sarita River property on numerous occasions. The last visit, during February 1979, concentrated on an inspection of access to various known mineralized areas which are presently undergoing a percussion drilling program: i.e., Phase I.

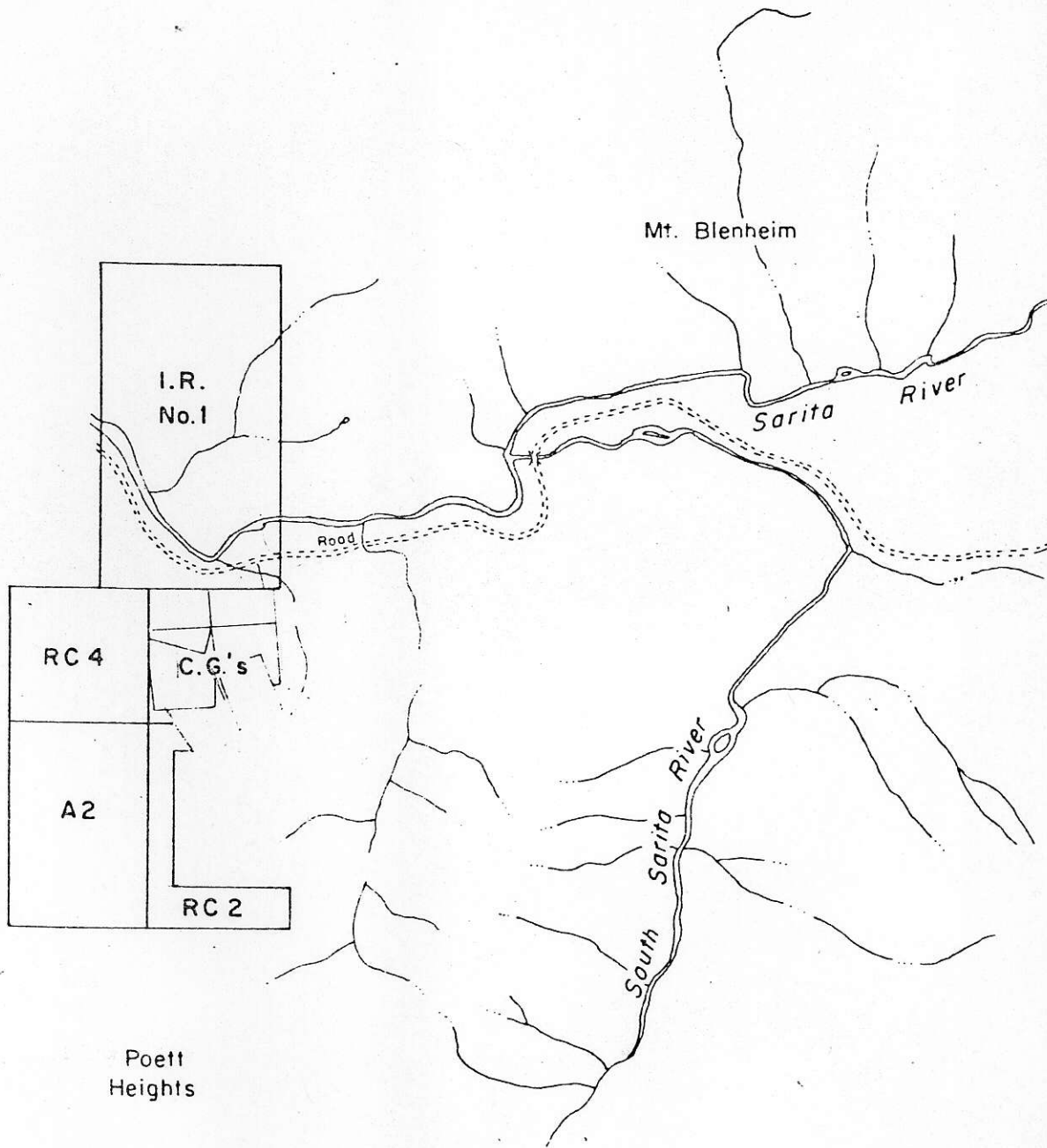
This report is being prepared at the request of the Directors of Nomad Mines Ltd.

PROPERTY & OWNERSHIP

The Sarita River property consists of seven Crown granted mineral claims and three located mineral claims comprising a total of 15 units, as follows:

<u>Name</u>	<u>Number of Units</u>	<u>Anniversary Date</u>
L 23	1 C.G.	October 2, 1980
L 24	1 " "	"
L 25	1 " "	"
L 26	1 " "	"
L 35	1 " "	"
L 36	1 " "	"
L 54	1 " "	"
RC 4	4	May 25, 1979
RC 3	5	Feb. 14, 1980
A 2	6	Feb. 14, 1980

cont....



NOMAD MINES LTD.

CLAIM MAP

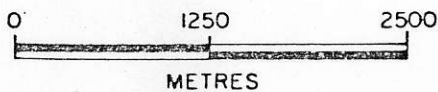


FIG. 2

The claims are held under option agreements by Nomad Mines Ltd. of Vancouver, British Columbia.

LOCATION & ACCESS

The property is located two kilometres south of the mouth of the Sarita River on the west coast of Vancouver Island.

Access to the property is gained by travelling 70 kilometres southwesterly from Port Alberni on the Alberni-Bamfield road.

TOPOGRAPHICAL & PHYSICAL ENVIRONMENT

The property lies on the north-facing slope and the summit of Poett Heights at an elevation of 30-600 metres m.s.l.

Vegetation on the property, where not logged, consists of large spruce, hemlock and cedar. Underbrush is very heavy alder and salal cover.

The area receives heavy precipitation, in excess of 3 metres annually, the majority of which is rain.

HISTORY

The Sarita River area was first explored at the turn of the century for high-grade magnetite (iron ore). In recent years the area has received intermittent attention by those in search of copper. In the past gold prospectors have probably made excursions into the area; however, the present price of gold makes it worthwhile to actively explore the many indications on the property.

GEOLOGY, MINERALIZATION & ALTERATION

The claim area is underlain by basic to intermediate volcanics assigned to the Upper Triassic Karmutsen group. These rocks are in turn underlain in places by Triassic limestone assigned to the Quatsino formation. Both of these units are intruded, in places, by quartz diorite related to the Jurassic Coast Range intrusives.

Mineralization observed on the property was magnetite, pyrrhotite, pyrite, arsenopyrite, chalcopyrite, sphalerite, malachite, azurite and tetrahedrite?.

Three different types of replacement mineralization have been observed by the writer:

- 1) The replacement of limestone units by high-grade (61% Fe) as magnetite;
- 2) Replacement zones within a fine-grained, green volcanic rock by chalcopyrite. A sample taken by the writer in 1975 across a 3-metre zone assayed 1.35% copper, 0.52 oz silver and 0.01 oz gold to the ton.
- 3) Replacement-shear zone in a highly silicified, fractured limestone. The fractures are often sulphide "welded" by pyrrhotite, galena, sphalerite, chalcopyrite, pyrite and tetrahedrite?.

EXPLORATION PROGRAM

In view of the number of mineral occurrences on the property a three-stage exploration program has been laid out, as follows:

Phase I

Percussion drill 16 holes from eight set-ups for a total length of 600 metres. Two holes will be drilled from each set-up, as follows: 1 - 45° hole for 30 metres; 1 - 70° hole for 45 metres. Seven set-ups are projected on Area I along a known mineralized shear replacement zone (Figure 3). One set-up of the same type is projected for Area II.

Phase II

Geological mapping and a correlation of assay data obtained from the "scout" percussion drilling;

Geochemical soil surveys along projected strikes or reaching out from areas of known mineralization;

Magnetometer and VLF-EM surveys on same grids as the geochemical surveys.

Phase III

Trenching and subsequent diamond drilling of the anomalous zones.

COST ESTIMATES

Phase I

Road work wi.bulldozer, D8	\$2,500
Percussion drilling, 600 metres @ \$15/metre	9,000
Supervision	3,000
Assaying	2,000
Room, Board.....	2,000
Reports, Maps	500
Transportation	<u>1,000</u>
Sub Total ..	\$20,000

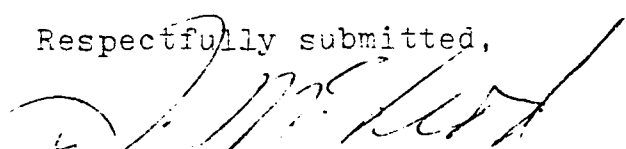
Phase II

Geological mapping, correlation of percussion drill data..	3,000.
Geochemical surveys, analyses ..	5,000.
Magnetometer & VLF-EM surveys ..	4,000
Linecutting, all inclusive	<u>3,000</u>
Sub total ..	\$15,000

Phase III

Bulldozer trenching	4,000
Diamond drilling, 500 metres @ \$45/metre	22,500
Assaying	2,000
Mapping, sampling, supervision..	4,000
Engineering	2,000
Report, Maps	1,000
Room & Board	3,000
Transportation	<u>1,500</u>
Sub total ..	\$40,000
TOTAL	<u><u>\$75,000</u></u>

Respectfully submitted,



James W. McLeod, Geologist

February 15, 1979

C E R T I F I C A T E

I, JAMES W. McLEOD, of the City of Vancouver,
Province of British Columbia, hereby certify
THAT:

I am a geologist and member of the Geological
Association of Canada;

I reside at 4086 W. 17th Avenue, Vancouver, B.C.
V6S 1A6;

I graduated in 1969 from the University of British
Columbia, B.Sc. (Geology Major);

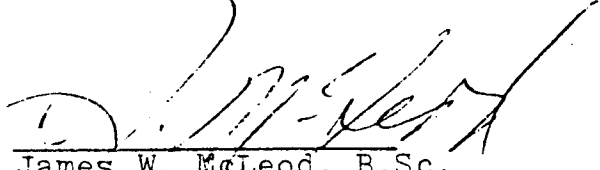
I have practiced my profession since 1969;

The attached report is based on data obtained
during my numerous visits to the property from
1975-'79;

I am the owner of 5000 shares of Nomad Mines Ltd.
which I purchased on the open market;

Except as noted above, I have no direct or indirect
interest in the property covered by this report nor
in the securities of Nomad Mines Ltd., and do not
expect to receive any such interest as a result of
writing this report.

DATED AT VANCOUVER, B.C., THIS 15th DAY OF FEBRUARY, 1979.


James W. McLeod, B.Sc.
Geologist

C E R T I F I C A T E

I, E. PERCY SHEPPARD, of the City of Vancouver, in the Province of British Columbia, hereby certify THAT:

I am a Consulting Geologist, at #1606-M, 1600 Beach Avenue, Vancouver, B.C., V6G 1Y7;

I am a graduate of Dalhousie University, with a B.Sc. in Geology, and have been active in mining exploration and geophysics for over thirty years;

I have reviewed the accompanying report on the Sarita River property prepared by Mr. J. W. McLeod, Geologist. Mr. McLeod has written a comprehensive report from his first-hand knowledge of the property. I have no hesitation in presenting his material. Mr. McLeod has carried out work under my supervision in the past and I found him to be a competent field geologist;

I have no direct or indirect interest in the property covered by this report, nor in the securities of Nomad Mines Ltd., and do not expect to receive any such interest as a result of writing this certification;

I am a member of the Professional Engineers Association of British Columbia, the American Institute of Mining Engineers, and a Fellow in the Geological Association of Canada.

DATED THIS 15th DAY OF FEBRUARY, 1979, AT VANCOUVER, B.C.



E. P. Sheppard
E. P. Sheppard, P. Eng.

Appendix V

Drilling Report of Test Holes

N2T and N6T

by

P. W. Richardson

RICHARDSON GEOLOGICAL CONSULTING LTD.

4161 CROWN CRESCENT, VANCOUVER, B.C. V6R 2A8
TELEPHONE: (604) 224-1282

REPORT

ON THE

SARITA RIVER PROPERTY

ALBERNI MINING DIVISION
BRITISH COLUMBIA

for

NOMAD MINES LTD.

by

P. W. RICHARDSON, Ph.D., P.Eng.

Vancouver, B.C.

September 17, 1979

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Appendix 1 - SUMMARY OF DRILL HOLES TO DATE (August 22, 1979)

Appendix 2 - LETTER FROM J. W. McLEOD (September 7, 1979)

Appendix 3 - ASSAY CERTIFICATES RE HOLES PH 1 TO PH 10

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Figure 3 - DRILL PROGRAM LOCATION	4
Figure 4 - PERCUSSION HOLES N2T and N6T	4

REFERENCES

- (1) McLeod, James W. (1979) "Geological Report on the Sarita River Property, Vancouver Island".

CONCLUSIONS

1. Gold assays of the samples from the original Percussion Hole PH 2 are somewhat, but not significantly, higher than those from the check hole.
2. Gold assays of the samples from hole PH 6 are significantly higher than those from the corresponding check hole.
3. Although the samples from the check holes did not average in gold as high as samples from the original holes, significant amounts of gold were found in the check holes.

RECOMMENDATIONS

As stated in the introduction, the writer's assignment was to supervise the redrilling of Hole PH 6 and additional holes if there was time. The writer did not inspect other parts of the property. The following general recommendations are made:

1. A geological map of the Property should be prepared, with emphasis on plotting known showings.
2. Showings with potential should be trenched or percussion drilled to test for the presence of gold.
3. The area which was tested with Holes PH 1 to PH 10 should be diamond drilled with two holes 50' apart.
4. Any other areas that show significant gold in the above-recommended trenches or percussion holes should be diamond drilled.

INTRODUCTION

On August 24, 1979, the writer was commissioned to go to the Sarita River Property of Nomad Mines Ltd. to supervise and attend the redrilling of Percussion Hole No. PH 6, as well as additional holes if there was time, and to write this report. It was suggested that the location of the drill holes relative to the property boundary be considered, but it was appreciated that the position of the north boundary would be difficult to establish.

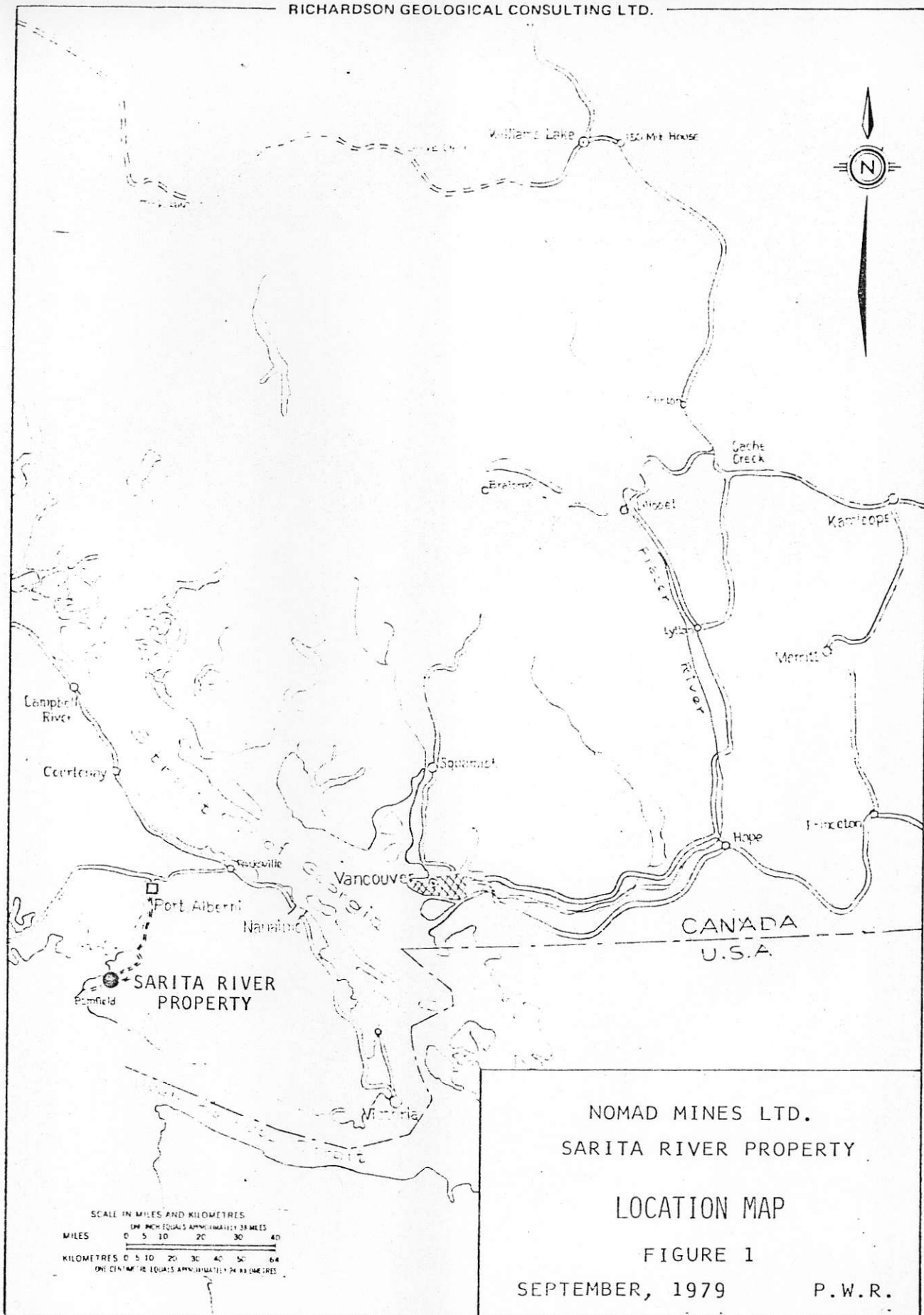
The Property was visited on August 27 and 28, 1979, and PH 6 and the first 50 feet of PH 2 were redrilled as N6T and N2T, respectively, and sampled. There was not time to inspect other parts of the Property or to establish the position of the drill holes relative to the boundary of the Property.

The cooperation and assistance of the Company officials, Doug Chapman and Al Sweeney, and of the driller, Lorne Spence, are acknowledged with thanks.

LOCATION AND ACCESS

The Sarita River Property is in the Alberni Mining Division at latitude $48^{\circ}53'N$, longitude $125^{\circ}00'W$ on NTS Sheet 92C/15W. The Property adjoins the south boundary of Indian Reserve No. 1 near the mouth of the Sarita River, and is 45 km SSW of Port Alberni (Figure 1).

Port Alberni is connected by paved highway to the provincial highway system. An excellent gravel logging road extends southwards along the east side of the Alberni Canal to Bamfield, and passes through the Property 69 km from Port Alberni. Several old mining and logging roads traverse the Property, but the writer did not examine in detail the access to the various showings on the Property other than the showing which was redrilled.



NOMAD MINES LTD.
SARITA RIVER PROPERTY

LOCATION MAP

FIGURE 1

SEPTEMBER, 1979

P.W.R.

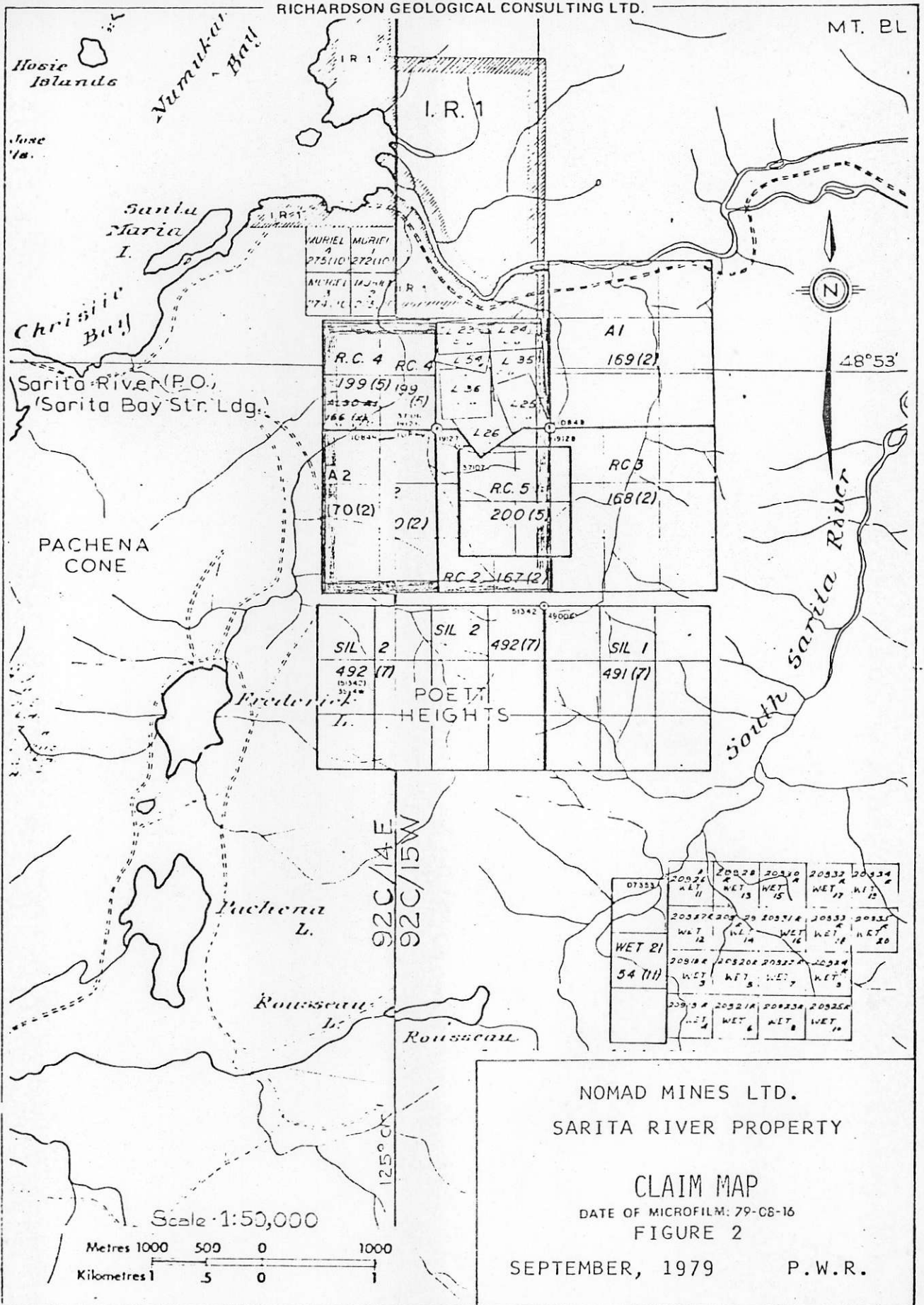
SCALE IN MILES AND KILOMETRES
ONE INCH EQUALS APPROXIMATELY 39 MILES
MILES 0 5 10 20 30 40
KILOMETRES 0 5 10 20 30 40 50 60
ONE CENTIMETER EQUALS APPROXIMATELY 24 KILOMETRES

CLAIMS

Officers of Nomad Mines Ltd. advise the writer that the Sarita River Property consists of seven Crown granted mineral claims and four located mineral claims totalling 20 units as follows:

<u>Name</u>	<u>Record No.</u>	<u>No. of Units</u>	<u>Expiry Date</u>
L 23 (C.G.)	-	1 claim (old system)	October 2, 1980
L 24 (C.G.)	-	" " " "	" " "
L 25 (C.G.)	-	" " " "	" " "
L 26 (C.G.)	-	" " " "	" " "
L 35 (C.G.)	-	" " " "	" " "
L 36 (C.G.)	-	" " " "	" " "
L 54 (C.G.)	-	" " " "	" " "
A 2	170	6	February 14, 1980
RC 2	167	6	" " "
RC 4	199	4	September 6, 1980
RC 5	200	4	May 25, 1980

The Company has advised the writer that they hold the above claims by agreement. The claims are shown on Figure 2. The writer did not check the claim posts.



Hosie Islands

Nunukav Bay

Juse I.

Santa Maria I.

Christie Bay

Sarita River (P.O.)
(Sarita Bay Str. Ldg.)

PACHENA CONE

Frederic L.

Pachena L.

Rousseau L.

Rousseau

92C/14E
92C/15W

125° 00' W

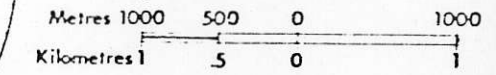


48° 53'

Sarita River

07353	20526 WET 11	20528 WET 13	20530 WET 15	20532 WET 17	20534 WET 19
	20527 WET 12	20529 WET 14	20531 WET 16	20533 WET 18	20535 WET 20
WET 21	20518 WET 3	20520 WET 5	20522 WET 7	20524 WET 9	
54 (11)	20519 WET 4	20521 WET 6	20523 WET 8	20525 WET 10	

Scale 1:50,000



NOMAD MINES LTD.
SARITA RIVER PROPERTY

CLAIM MAP

DATE OF MICROFILM: 79-C8-16

FIGURE 2

SEPTEMBER, 1979

P.W.R.

GEOLOGY

The rocks on the Property consist of Upper Triassic basic and intermediate Karmutsen Volcanics underlain in places by Triassic Quatsino Limestone. Both these units are intruded by quartz diorite (McLeod, 1979).

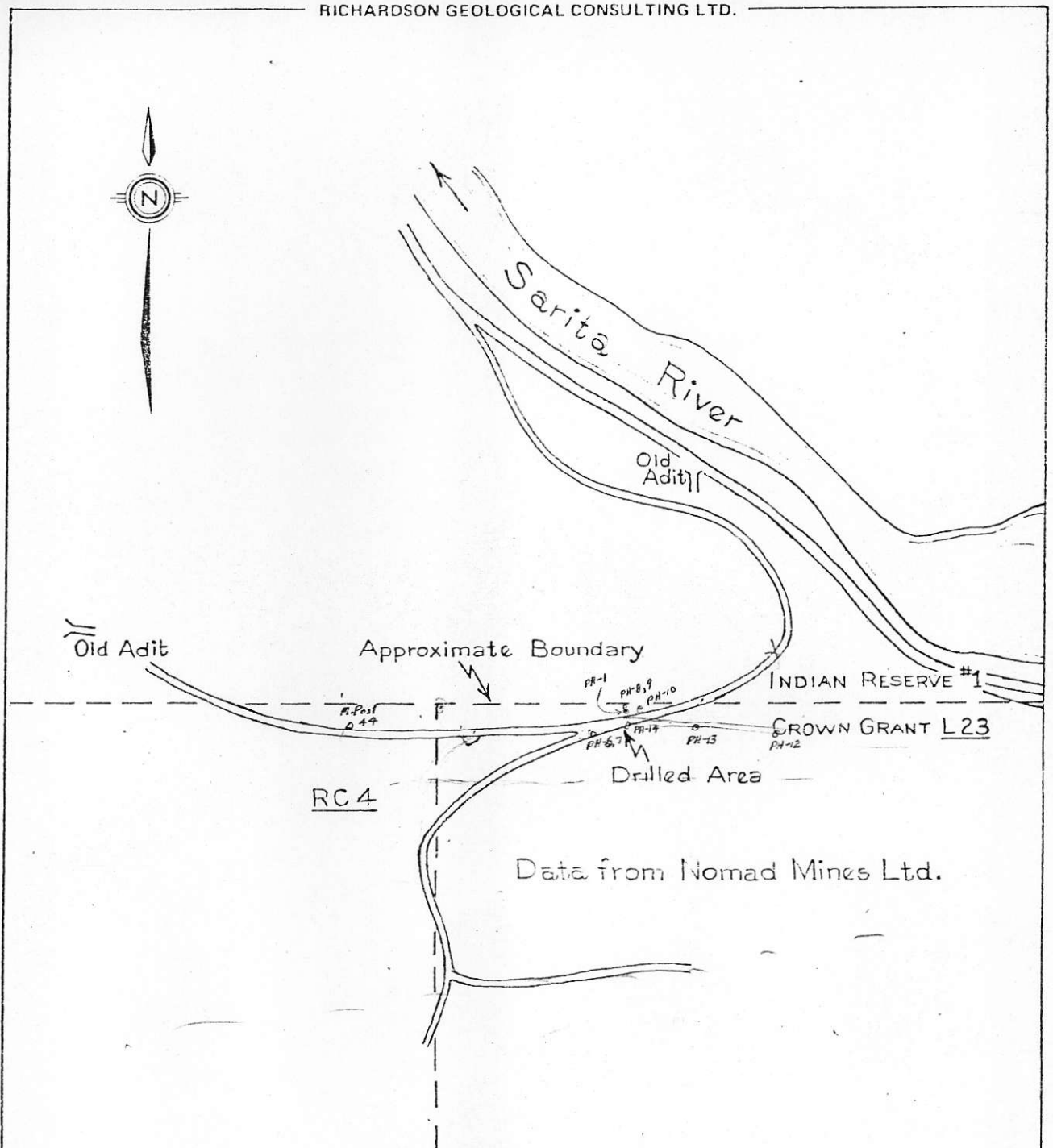
Three types of mineralization are reported by McLeod to occur on the Property:

1. Replacement of limestone by massive magnetite.
2. Replacement of a fine-grained volcanic rock by chalcopyrite.
3. A mineralized shear zone in a highly silicified, fractured limestone. The shear zone contains pyrrhotite, galena, sphalerite, chalcopyrite, pyrite and, possibly, tetrahedrite.

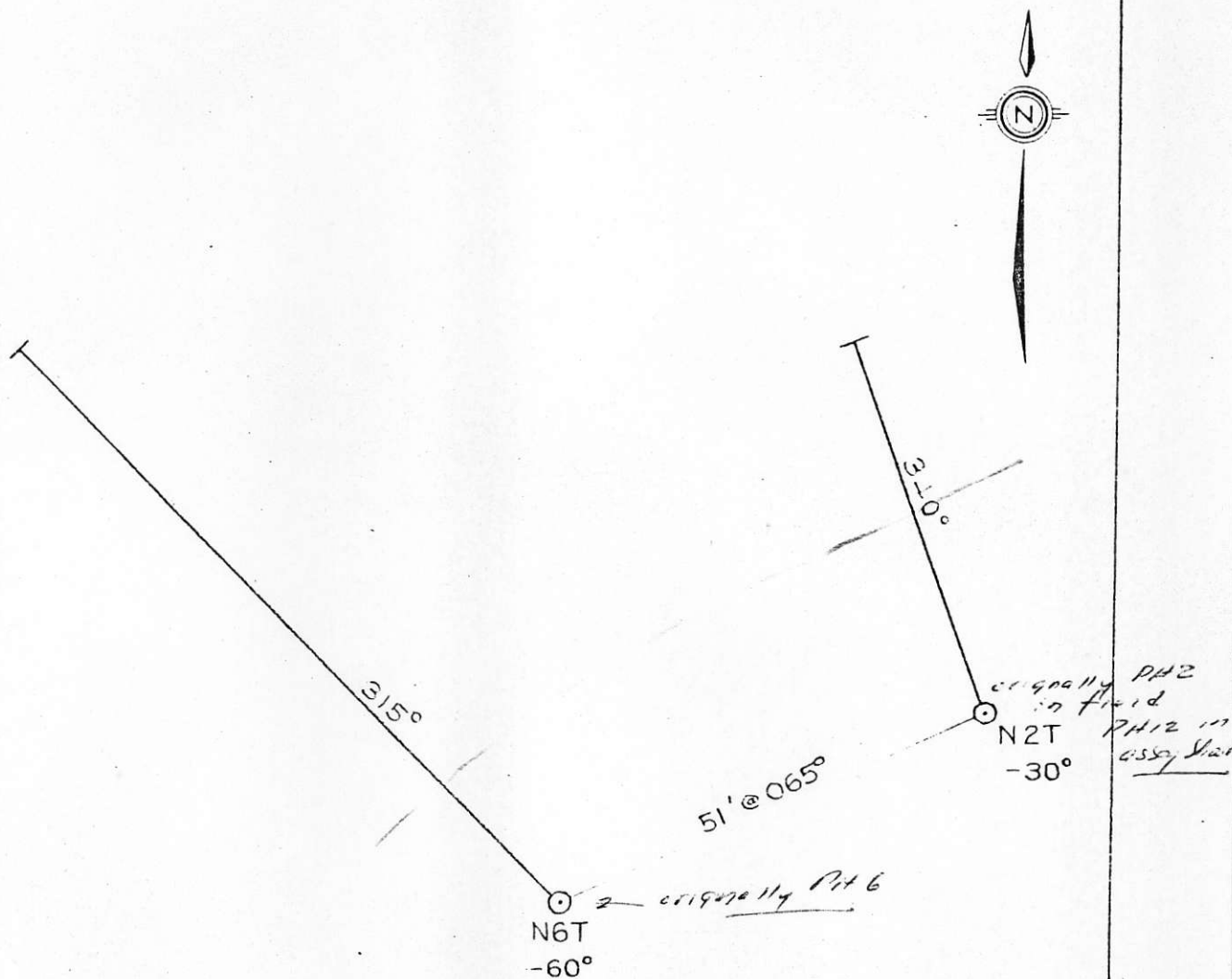
DRILL PROGRAM

In February, 1979, a series of 10 percussion holes, PH 1 to PH 10 inclusive, were drilled to investigate the downward extension of copper mineralization exposed in very old trenches (Figure 3 and Appendix 1). The samples of cuttings from these holes were assayed and contained significant amounts of gold, and two holes, PH 2 and PH 6, were checked by drilling a new percussion hole about five feet from each hole (Figure 4).

The original holes were not marked on the ground at the time of the writer's visit, the dips of the original holes were not measured accurately and a survey of the collars of the holes was not supplied to the Company. It was necessary for the writer to make a best estimate of the location and inclination of the two original holes, PH 2 and PH 6, in order to drill the test holes. This was done by inspecting areas of sludge near the old collars and by discussing the location of the end hole, PH 6, with the driller, who



NOMAD MINES LTD.
SARITA RIVER PROPERTY
DRILL PROGRAM LOCATION
FIGURE 3
1 INCH = 400 FEET
SEPTEMBER, 1979 P.W.R.



These holes on 1.R. #1 according to report in G.C. N.P. dated Jan. 4 after 1991 Survey. Hole locations 300' north of south boundary of 1.R. #1.

NOMAD MINES LTD.
SARITA RIVER PROPERTY
PERCUSSION HOLES N2T & N6T
FIGURE 4
1 INCH = 20 FEET
SEPTEMBER, 1979 P.W.R.

fortunately had done the earlier drilling. Hole PH 2 was reported by the Company to dip at -30° and PH 6 to dip at -60° (Appendix 1), but the driller said that he had estimated these dips. A letter from Mr. McLeod written subsequently to the drilling of the check holes indicates that PH 6 was drilled at -45° (Appendix 2).

ASSAY RESULTS - Comparison of Original and Check Holes

TABLE 1

Footage	Gold (oz/ton)		Silver (oz/ton)	
	Original	Check Hole	Original	Check Hole
	PH 2	N2T	PH 2	N2T
10 - 20		0.11		0.24
	0.20		0.21	
20 - 30*	0.29	0.14	0.32	0.16
30 - 40		0.19		0.19
40 - 50	0.12	0.04	0.17	0.06
	PH 6	N6T	PH 6	N6T
10 - 20		0.002		0.13
	0.33		0.43	
20 - 30**	0.12	0.15	0.18	0.17
30 - 40	0.32	0.090	0.37	0.14
40 - 50	0.17	0.13	0.19	0.14
50 - 60	0.30	0.20	0.26	0.33
60 - 70	0.60	0.004	0.70	0.08
70 - 80	0.27	0.050	0.33	0.02
80 - 90	0.74	0.11	0.87	0.09
90 - 100	0.61	0.12	0.58	0.22
100 - 110	0.26	0.070	0.36	0.09
110 - 120	0.11	0.10	0.12	0.08
120 - 130**		0.10		0.18
130 - 140	0.26	0.13	0.30	0.17
140 - 150	0.27	0.050	0.31	0.02
150 - 160	1.07	0.040	0.90	0.06
160 - 170	0.19	0.020	0.27	0.03

*In Hole PH 2, two samples were marked "20'-30'", but one was from the interval 30'-40', and it is not possible to sort these out. **In Hole PH 6, two samples were marked "20'-30'", but one apparently was from the interval 120'-130'. Again, it is not possible to sort these out (Appendices 1 and 3).

The average of the assays of samples from PH 6 from 20'-140' is 0.34 oz/ton Au. The samples from the same interval in the check hole average 0.10 oz/ton Au (Appendix 4). The writer cannot explain the discrepancies except that the original hole may have had a shallower dip and so the check hole was not quite parallel to it. It is normal in gold deposits to have wide variations within a few feet. The other possibility is that, if sufficient care was not taken in decanting the samples, some of the lighter components may have floated off in the water overflow and so the heavier, presumably gold-bearing, components were concentrated in the sample. However, it is unlikely that this means of concentration would be effective enough to account for the discrepancies. The important fact is that the check hole showed the presence of significant amounts of gold (Appendix 4).

The average of the assays of samples from PH 2 from 20' to 50' is 0.20 oz/ton Au. The check samples from the same interval average 0.12 oz/ton Au.

RICHARDSON GEOLOGICAL CONSULTING LTD.

4161 CROWN CRESCENT, VANCOUVER, B.C. V6R 2A8
TELEPHONE: (604) 224-1282

CERTIFICATE

I, Paul W. Richardson, of the City of Vancouver in the Province of British Columbia, hereby certify the following:

1. I am a geological engineer residing and with an office at 4161 Crown Crescent, Vancouver, B.C.
2. I am a graduate of the University of British Columbia with B.A.Sc. (1949) and M.A.Sc. (1950) degrees in Geological Engineering. I have a Ph.D. (1955) degree from the Massachusetts Institute of Technology in Geology.
3. I have practised my profession since 1949.
4. I am a member of the Association of Professional Engineers of British Columbia.
5. I have no interest, direct or indirect, in the Sarita River Property or in Nomad Mines Ltd., nor do I expect to receive any such interest in the future.
6. This report is based upon personal supervision of the check drilling on the Property on August 27 and 28, 1979 and on a report by James W. McLeod dated February 15, 1979.
7. I consent to the use of this report in a Prospectus or a Statement of Material Facts.

DATED at Vancouver, B.C. this 17th day of September, 1979.



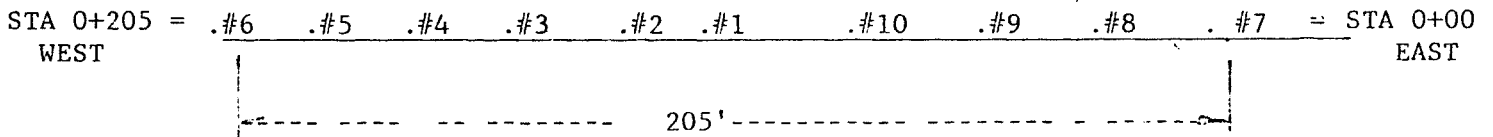
P.W. Richardson, Ph.D., P.Eng.

APPENDIX I

SUMMARY OF DRILL HOLES TO DATE
(August 22, 1979)

	<u>GOLD</u>	<u>SILVER</u>	<u>Cu</u>
	ounces per ton	ounces per ton	percent
<u>Drill hole PH 7 @ -30°</u>	STA 0+00 PH 7 = PH 17	Total Length = 60'	
20 - 30	0.12	0.21	
30 - 40	0.064	0.20	
40 - 50	0.20	0.20	
<u>Drill Hole PH 8 @ -45°</u>	STA 0+25 PH 8 = PH 18	Total Length = 70'	
20 - 30	0.29	0.28	
30 - 40	0.36	0.38	
40 - 50	0.072	0.28	
50 - 60	0.10	1.15	
60 - 70	0.087	0.37	
<u>Drill Hole PH 9 @ -45°</u>	STA 0+50 PH9 = PH 19	Total Length = 70'	
20 - 30	0.20	0.16	
30 - 40	0.16	0.24	
40 - 50	0.10	0.18	
50 - 60	0.18	0.45	
60 - 70	0.20	0.29	
70 - 80A	0.13	0.20	two samples marked
70 - 80B	0.086	0.14	70-80 (A & B)
<u>Drill Hole PH 10 @ -60°</u>	STA 0+75 PH 10 = PH 20	Total Length = 80'	
10 - 20	0.22	0.30	
20 - 30	0.22	0.23	
30 - 40	0.12	0.33	
40 - 50	0.11	0.80	
50 - 60	0.11	0.36	
60 - 70	0.075	0.32	
70 - 80	0.034	0.24	

SCHEMATIC OF DRILLING PATTERN



Nomad Mines Ltd.

#1202 - 750 West Pender Street, Vancouver, B.C. V6C 2T8
 Telephone 669-1100

Summary of drill holes to date

August 22, 1979

	<u>GOLD</u> ounces per ton	<u>SILVER</u> ounces per ton	<u>Cu</u> percent
<u>Drill Hole PH 1 @ -30°</u> STA 0+100 PH 1 = PH 11 Hole collapsed			
20 - 30	0.28	0.30	
<u>Drill Hole PH 2 @ -30°</u> STA 0+105 PH 2 = PH 12 Total length = 100'			
20 - 30A	0.20	0.21	
20 - 30B	0.29	0.32	
40 - 50	0.12	0.17	
50 - 60	0.14	0.02	
60 - 70	0.14	0.10	
70 - 80 missing sample tag error (see PH 19 - 70-80A) ?			
80 - 90	0.14	0.18	
90 - 100	0.30	0.33	
<u>Drill Hole PH 3 @ -30°</u> STA 0+130 PH 3 = PH 13 Total Length = 60'			
10 - 20	0.23	0.22	
20 - 30	0.20	0.23	
30 - 40	0.090	0.10	
40 - 50	0.16	0.41	
50 - 60	0.29	0.52	
<u>Drill Hole PH 4 @ -30°</u> STA 0+150 PH4 = PH14 Total length = 60'			
10 - 20	0.31	0.38	
20 - 30	0.23	0.30	
30 - 40	0.27	0.34	
40 - 50	---	--- missing	
50 - 60	0.13	0.20	
<u>Drill Hole PH 5 @ -30°</u> STA 0+180 PH5 = PH15 Total length = 70'			
20 - 30	0.29	0.31	
30 - 40	0.41	0.32	
40 - 50	0.17	0.24	
50 - 60	0.16	0.24	
60 - 70	0.26	0.33	
<u>Drill Hole PH6 @ -60°</u> STA 0+205 PH6 = PH16 Total length = 180'			
20 - 30A	0.33	0.43	
20 - 30B	0.12	0.18	
30 - 40	0.32	0.37	
40 - 50	0.17	0.19	
50 - 60	0.30	0.26	
60 - 70	0.60	0.70	
70 - 80	0.27	0.33	
80 - 90	0.74	0.87	
90 - 100	0.61	0.58	
100 - 110	0.26	0.36	
110 - 120	0.11	0.12	
120 - 130	missing		
130 - 140	0.26	0.30	
150 - 160	0.27	0.31	
160 - 170	1.07	0.90	
170 - 180	0.19	0.27	

APPENDIX 2

LETTER FROM J. W. McLEOD
(September 7, 1979)

Mr. J. Mackie P. Eng.
Vancouver Stock Exchange
536 Howe Street,
Vancouver, B.C.

September 7, 1979.

Dear Mr. Mackie;

Re: Nomad Mines Ltd., regarding the Sarita River property.

Further to our conversation, I would like to clarify two points for your interest:

- i) The showing that the company drilled in February, to the best of my knowledge, is on company ground. It may be either on the Crown grants or on a located claim.
- ii) Percussion drill hole #6, was drilled at -45 degrees and not -60 degrees as Mr. Sweeney apparently stated.

Please keep in mind that the percussion drilling on the property was originally intended as a reconnaissance project, and not meant to establish tonnage and grade and the results should be treated as such.

Yours truly,


J. W. McLeod

APPENDIX 3

ASSAY CERTIFICATES RE
HOLES PH 1 TO PH 10

NOTE: The samples submitted for assay on July 26 had 10 added to each sample number so Sample PH 1 reads PH 11, etc. The samples submitted March 7 were marked with their real numbers.

1160 Haro Street
Vancouver, B.C.Samples submitted: March 7, 1979
Results completed: March 9, 1979

CERTIFICATE OF ASSAY

I hereby certify that the following are the results of assays made by us upon the herein described percussion sludge samples.

MARKED	GOLD		SILVER	Cu							TOTAL VALUE PER TON (2000 LBS.)
	Ounces per Ton	Value per Ton	Ounces per Ton	Percent	Percent	Percent	Percent	Percent	Percent		
PH 8 40 - 50	0.072		0.28	0.14							
50 - 60	0.10		1.15	0.15							
60 - 70	0.087		0.37	0.30							
PH 9 50 - 60	0.18		0.45	0.13							
PH 10 30 - 40	0.12		0.33	0.04							
40 - 50	0.11		0.80	0.06							
50 - 60	0.11		0.36	0.11							
60 - 70	0.075		0.32	0.23							
70 - 80	0.034		0.24	0.23							

1202 - 750 West Pender
Vancouver, B. C.
V6C 2T8

CERTIFICATE OF ASSAY

Samples submitted: July 26, 1979
Results completed: August 7, 1979

I hereby certify that the following are the results of assays made by us upon the herein describedpercussion..... samples.

MARKED	GOLD		SILVER		Percent	Percent	Percent	Percent	Percent	Percent	Percent
	Ounces per Ton	Grams per Metric Ton	Ounces per Ton	Grams per Metric Ton							
PH - 1 *** 20-30	0.28		0.30								
PH - 2 ** 20-30 (A)	0.20		0.21								
20-30 (B)	0.29		0.32								
40-50	0.12		0.17								
50-60	0.14		0.02								
60-70	0.14		0.10								
80-90	0.14		0.18								
90-100	0.30		0.33								

** Both tags marked 20-30
We have designated them as A & B

*** Note that all holes 1-10 were appreviated with the number 1, and 10 was changed to 20.
J.T.N. (Ken Addison Mining Ltd)

NOTE:

Rejects retained three weeks
Pulps retained three months
unless otherwise arranged.

1202 - 750 West Pender Street
 Vancouver, B. C.
 V6C 2T8

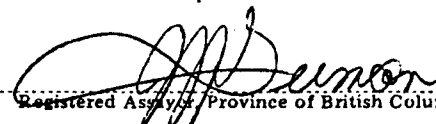
CERTIFICATE OF ASSAY

Samples submitted: July 26, 1979
 Results completed: August 7, 1979

I hereby certify that the following are the results of assays made by us upon the herein described percussion samples.

MARKED	GOLD		SILVER		Percent	Percent	Percent	Percent	Percent	Percent
	Ounces per Ton	Grams per Metric Ton	Ounces per Ton	Grams per Metric Ton						
PH - 3	10-20	0.23	0.22							
	20-30	0.20	0.23							
	30-40	0.090	0.10							
	40-50	0.16	0.41							
PH - 4	50-60	0.29	0.52							
	10-20	0.31	0.38							
	20-30	0.23	0.30							
	30-40	0.27	0.34							
	50-60	0.13	0.20							

NOTE:
 Rejects retained three weeks
 Pulps retained three months
 unless otherwise arranged.


 Registered Assayer, Province of British Columbia

To: Nomad Mines

REPORT NO. A29 - 643

PAGE No. 1

BONDAR-CLEGG & COMPANY LTD.

DATE: August 10, 1979

1202 - 750 West Pender Street
 Vancouver, B.C.
 V6C 2T8

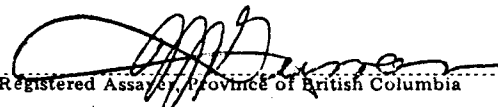
Samples submitted: July 26, 1979
 Results completed: August 10, 1979

CERTIFICATE OF ASSAY

I hereby certify that the following are the results of assays made by us upon the herein described percussion samples.

MARKED		GOLD		SILVER		Percent	Percent	Percent	Percent	Percent	Percent
		Ounces per Ton	Grams per Metric Ton	Ounces per Ton	Grams per Metric Ton						
PH 5	20 - 30	0.29		0.31							
	30 - 40	0.41		0.32							
	40 - 50	0.17		0.24							
	50 - 60	0.16		0.24							
	60 - 70	0.26		0.33							
PH 6	20 - 30A	0.33		0.43							
	20 - 30B	0.12		0.18							
	30 - 40	0.32		0.37							
	40 - 50	0.17		0.19							
	50 - 60	0.30		0.26							
	60 - 70	0.60		0.70							
	70 - 80	0.27		0.33							
	80 - 90	0.74		0.87							
	90 - 100	0.61		0.58							
	100 - 110	0.26		0.36							
	110 - 120	0.11		0.12							
	130 - 140	0.26		0.30							
	150 - 160	0.27		0.31							
160 - 170	1.07		0.90								
170 - 180	0.19		0.27								

NOTE:
 Rejects retained three weeks
 Pulps retained three months
 unless otherwise arranged.


 Registered Assayer, Province of British Columbia

To: Nomad Mines

REPORT NO. A29 - 644

PAGE No. 1

BONDAR-CLEGG & COMPANY LTD.

DATE: August 1979

1202 - 750 West Pender Street
Vancouver, B. C.
V6C 2T8


Samples submitted: July 26, 1979
Results completed: August 9, 1979

CERTIFICATE OF ASSAY

I hereby certify that the following are the results of assays made by us upon the herein described percussion samples.

MARKED		GOLD		SILVER		Percent	Percent	Percent	Percent	Percent	Percent
		Ounces per Ton	Grams per Metric Ton	Ounces per Ton	Grams per Metric Ton						
PH 7	20-30	0.12		0.21							
	30-40	0.064		0.20							
	40-50	0.20		0.20							
PH 8	20-30	0.29		0.28							
	30-40	0.36		0.38							

NOTE:
Rejects retained three weeks
Pulps retained three months
unless otherwise arranged.


Registered Assayer, Province of British Columbia

To: Nomad Mines

REPORT NO. A29 - 645

PAGE No. 1

BONDAR-CLEGG & COMPANY LTD.

DATE: August 9, 1979

1202 - 750 West Pender Street
 Vancouver, B. C.
 V6C 2T8

Samples submitted: July 26, 1979
 Results completed: August 9, 1979

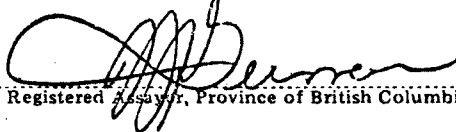
CERTIFICATE OF ASSAY

I hereby certify that the following are the results of assays made by us upon the herein described percussion samples.

MARKED	GOLD		SILVER		Percent	Percent	Percent	Percent	Percent	Percent	Percent
	Ounces per Ton	Grams per Metric Ton	Ounces per Ton	Grams per Metric Ton							
PH 9 20-30	0.20		0.16								
30-40	0.16		0.24								
40-50	0.10		0.18								
60-70	0.20		0.29								
* 70-80A	0.13		0.20								
70-80B	0.086		0.14								
PH /0 10-20	0.22		0.30								
20-30	0.22		0.23								

* Two samples marked 70-80
 We have designated them as A & B

NOTE:
 Rejects retained three weeks
 Pulps retained three months
 unless otherwise arranged.


 Registered Assayer, Province of British Columbia

APPENDIX 4

ASSAY CERTIFICATE RE
HOLES N2T AND N6T

1202 - 750 West Pender Street
Vancouver, B.C. V6C 2T8

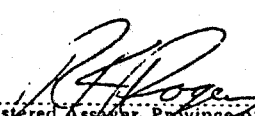
CERTIFICATE OF ASSAY

Samples submitted: August 29, 1979
Results completed: September 4, 1979PROJECT: SARITA PROPERTYI hereby certify that the following are the results of assays made by us upon the herein described sludge samples.

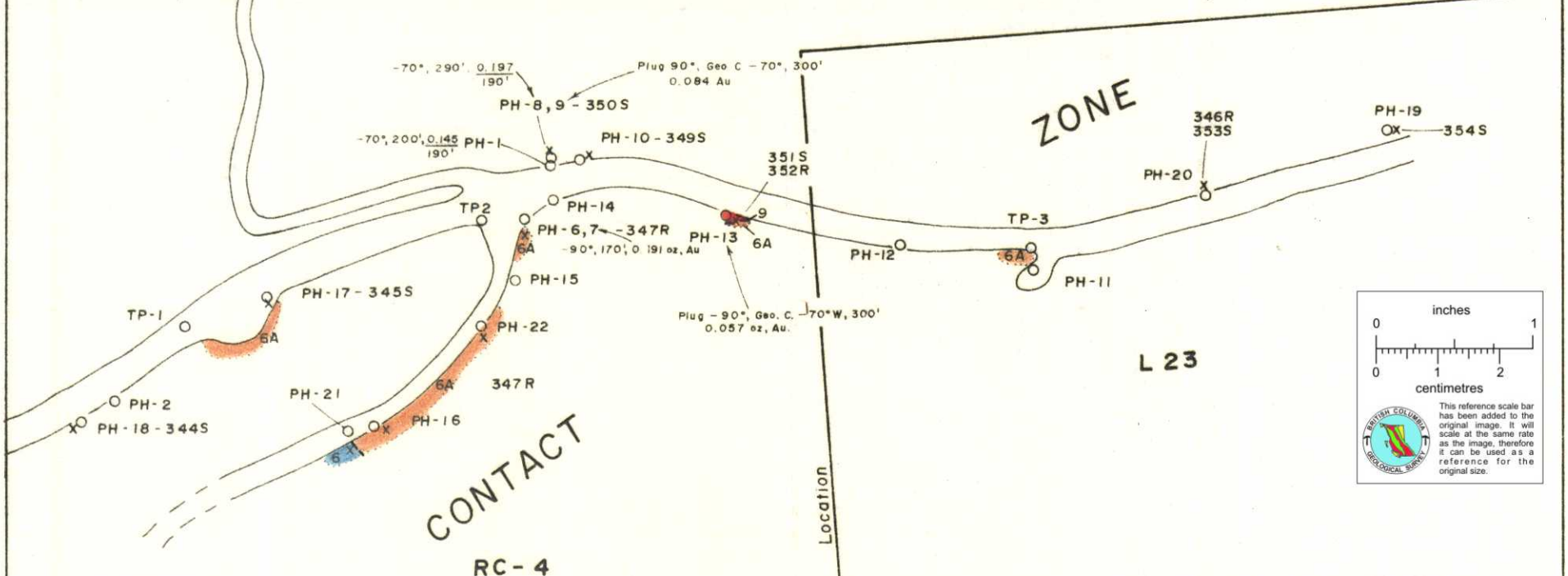
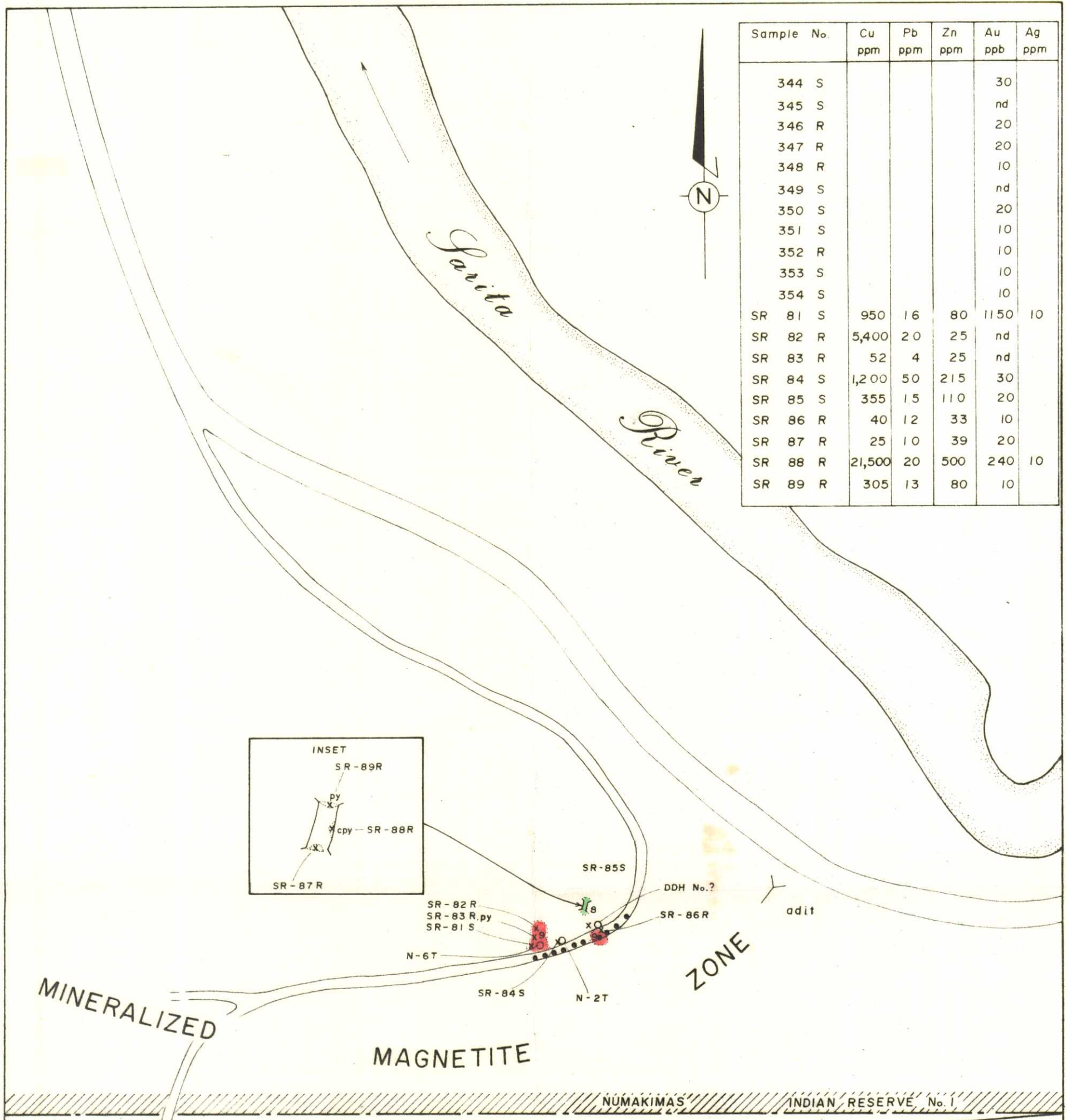
MARKED		GOLD		SILVER								
		Ounces per Ton	Grams per Metric Ton	Ounces per Ton	Grams per Metric Ton	Percent	Percent	Percent	Percent	Percent	Percent	Percent
N27	10- 20	0.11		0.24								
N2T	20- 30	0.14		0.16								
	30- 40	0.19		0.19								
	40- 50	0.04		0.06								
N6T	10- 20	<0.002		0.13								
	20- 30	0.15		0.17								
	30- 40	0.090		0.14								
	40- 50	0.13		0.14								
	50- 60	0.20		0.33								
	60- 70	0.004		0.08								
	70 -80	0.050		0.02								
	80- 90	0.11		0.09								
	90-100	0.12		0.22								
	100-110	0.070		0.09								
	110-120	0.10		0.08								
	120-130	0.10		0.18								
	130-140	0.13		0.17								
	140-150	0.050		0.02								
	150-160	0.040		0.06								
	160-170	0.020		0.03								
N6TA	10- 20	0.005		0.20								

cc Dr. P. Richardson
Mr. J. Mackie

NOTE:

Rejects retained three weeks
Pulps retained three months
unless otherwise arranged.

 Registered Assayer, Province of British Columbia

Sample No.	Cu ppm	Pb ppm	Zn ppm	Au ppb	Ag ppm
344 S				30	
345 S				nd	
346 R				20	
347 R				20	
348 R				10	
349 S				nd	
350 S				20	
351 S				10	
352 R				10	
353 S				10	
354 S				10	
SR 81 S	950	16	80	1150	10
SR 82 R	5,400	20	25	nd	
SR 83 R	52	4	25	nd	
SR 84 S	1,200	50	215	30	
SR 85 S	355	15	110	20	
SR 86 R	40	12	33	10	
SR 87 R	25	10	39	20	
SR 88 R	21,500	20	500	240	10
SR 89 R	305	13	80	10	



LEGEND

- 6 A Skarn
- 9 Island Intrusion - Diorite
- 8 Bonanza Group - Andesite
- 6 Quatsino Formation - Limestone

Note - PH numbers are Nos. identified on post at hole collars on the property, but reported as "N" numbers in the George Cross Newsletters, and were drilled in late 1979 and early 1980.

- PH-2 DDH location & number
- x 346 Sample location & number (R - rock, S - sludge)
- DDHs PH-1 to PH-10, approximated location, drilled in February, 1979.

**SARITA RIVER PROPERTY
NOMAD MINES LTD**

GEOLOGY & ASSAYS

SCALE - 1 : 2,500 DATE - March, 1980
N.T.S - 92-C-15 FIG. No. 6