

062080

REPORT
ON THE
MARINA #1-16 MINERAL CLAIM GROUP
GRANT NOS. YA34349 - YA34364
105-H-1/2
CONGLOMERATE CREEK-MT. BILLINGS AREA
WATSON LAKE MINING DISTRICT
YUKON TERRITORY

N. Lat. 61°38'

W. Long. 128°15'

for

PATMAR RESOURCES CORPORATION
Suite 704, 525 Seymour Street
Vancouver, British Columbia

by

DONALD W. TULLY, P. ENG.

September 3, 1980

West Vancouver, B.C.

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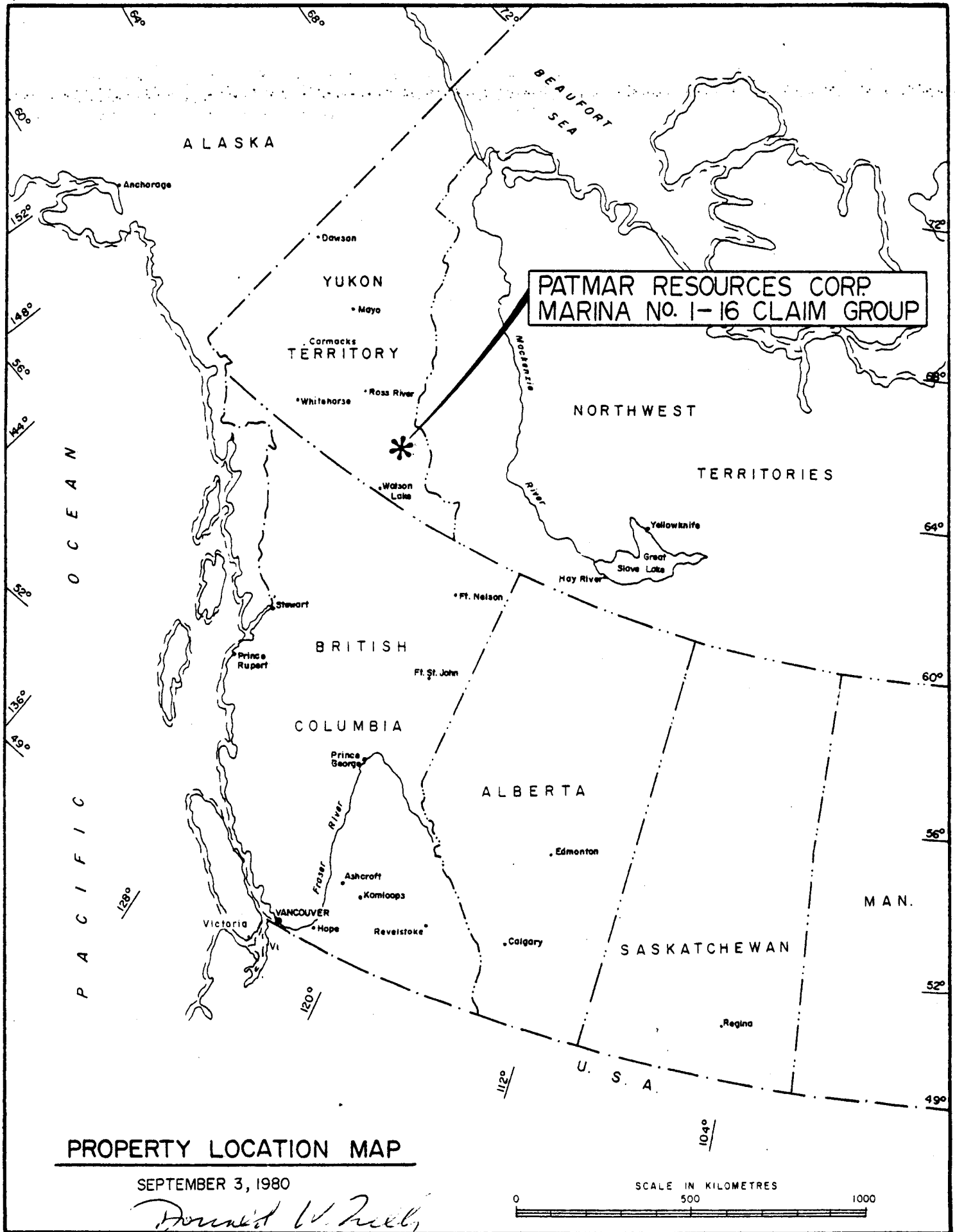
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MAR 1-80, 2-80, 3-80
ASSAY CERTIFICATE



INTRODUCTION

This report was prepared pursuant to a request from the Directors of PATMAR RESOURCES CORPORATION, Suite 704, 525 Seymour Street, Vancouver, British Columbia.

The purpose of this report is to summarize the results of the 1980 program of diamond drilling and evaluate the property for mine-making potential.

This report is based upon a personal examination of the claims and a log of the diamond drill core in the period August 7-8, 1980.

A program of further diamond drilling is recommended to test the lead-zinc and silver mineralization for strike length and the width and depth extent of the zone indicated in the 1980 diamond drill test.

SUMMARY AND CONCLUSIONS

The MARINA #1 - 16 mineral claim group comprises sixteen claims situated about 85 air miles north of the town of Watson Lake, Yukon Territory.

The claims are readily accessible by road from kilometre post 78 on the North Nahanni Range (Cantung) Road using a 4 WD vehicle, a distance of 20 kilometres. The topography over the claim area is steep and a helicopter is useful for access over the claimed ground.

Several skarn zones carrying lead, zinc, silver mineralization occur over substantial widths on the MARINA property (Figures 6, 7, and 8). One of these zones, the

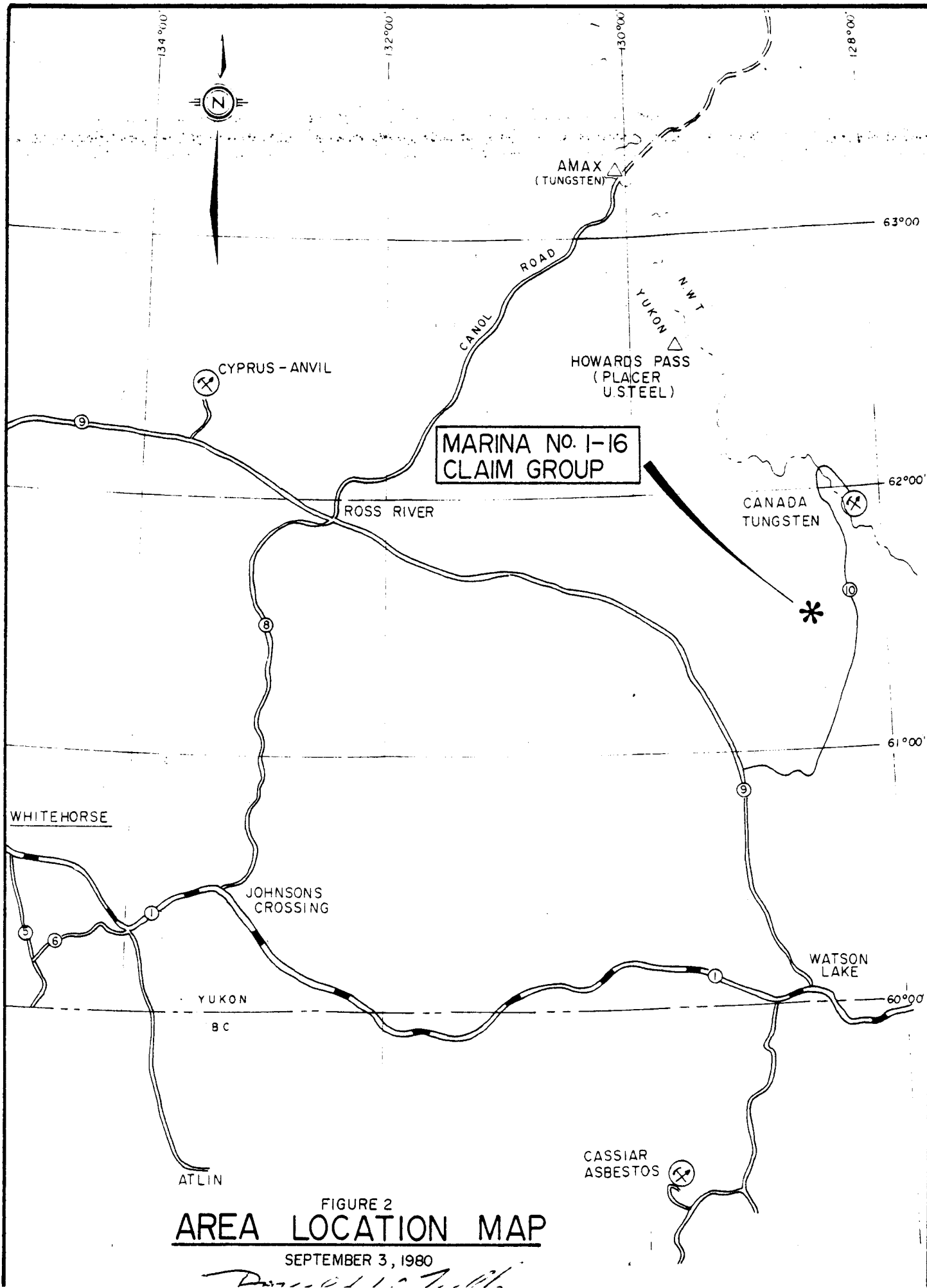


FIGURE 2
AREA LOCATION MAP

SEPTEMBER 3, 1980

Daniel J. Smith

Hillside, has been identified along a significant strike length and across widths of 6-7 metres. This zone was tested from one location, in a three hole program of diamond drilling, in the period June 23 through July 15, 1980. A total of 287 metres (941 feet) of BQ wireline core was drilled.

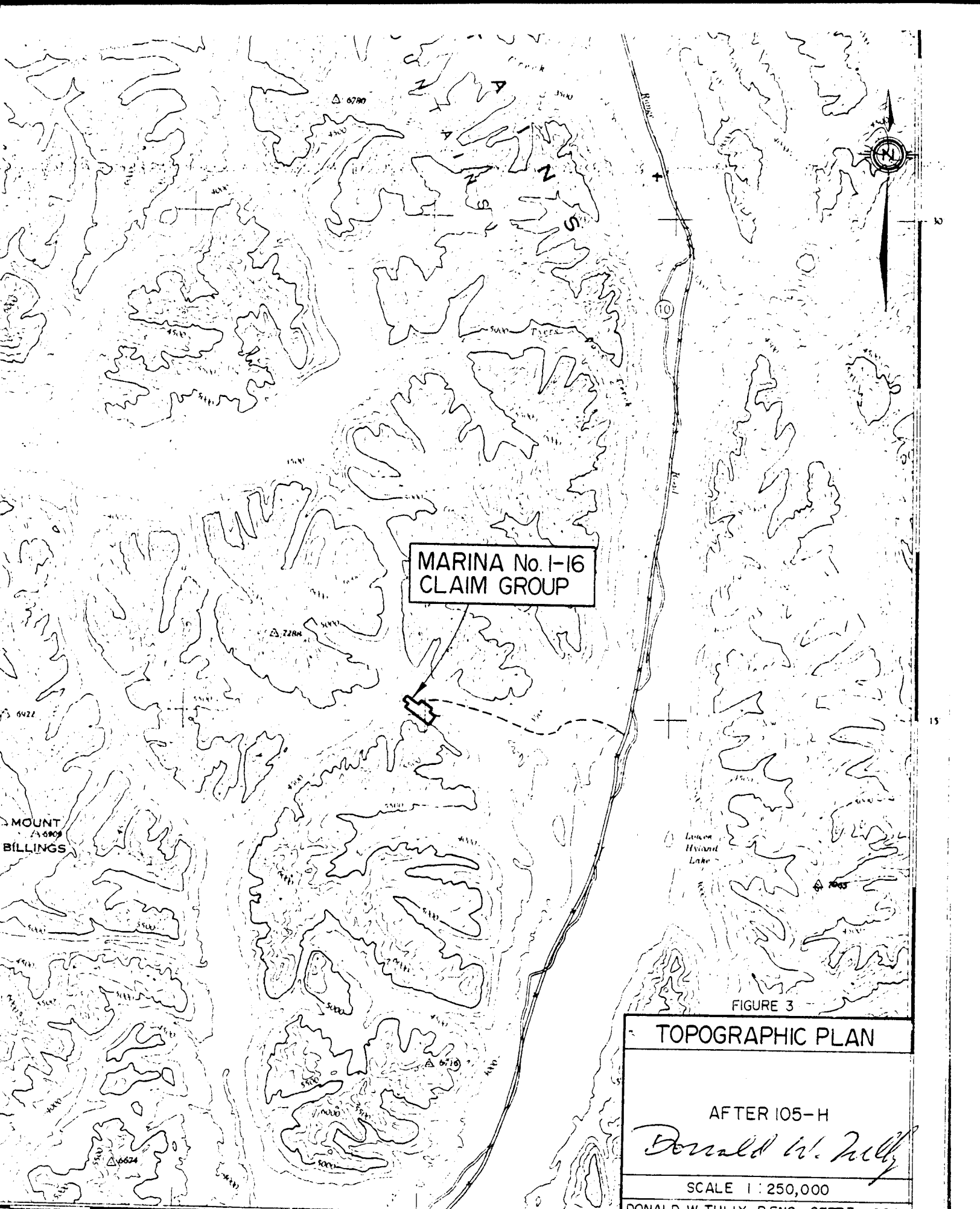
The ratio of silver to lead appears to be in the range of about 1 to 1 or less. The mineralization occurs in fissures in the skarn zones and is related to post-skarn emplacement fracture patterns. The substantial size of the skarn zones which trend westerly across the claim area is encouraging and these may host an economic mass of silver-lead-zinc mineralization under optimum fracture pattern conditions.

A further program of three diamond drill holes is recommended to test across the strike of the skarn zones in the area of the silver-lead-zinc mineralization at an estimated cost of \$75,900.

PROPERTY - LOCATION, ACCESS, PHYSIOGRAPHY

The property comprises sixteen mineral claims situated on the south side of Conglomerate Creek (Figures 3 and 4) some 85 air miles north of the town of Watson Lake, Yukon Territory.

Access to the property is available by road using a 4WD vehicle. The road distance from Watson Lake is about 115 miles (190 km). Steep topography over the claim area necessitates the use of a helicopter over property.



MARINA No. 1-16
CLAIM GROUP

FIGURE 3

TOPOGRAPHIC PLAN
AFTER 105-H <i>Donald W. Tully</i>
SCALE 1 : 250,000
DONALD W. TULLY, P. ENG. SEPT 3, 1980

Elevations vary between 4,000 and 6,000 feet a.s.l. over the claims.

Much of the ground over the claimed area is above treeline. Those areas below this elevation in the west sector of the claims have small spruce and buckbrush vegetation.

Water for any immediate industrial use is available from small mountain streams along the north-facing slope of the property as well as from Conglomerate Creek at elevation 3800'.

CLAIMS

The MARINA claims comprise a group of sixteen contiguous mineral claims numbered 1 - 16, in the Watson Lake Mining District, located on the south side of Conglomerate Creek. The claims are recorded with the Mining Recorder, Department of Indian Affairs and Northern Development, Watson Lake, as follows:

<u>Claim Name</u>	<u>Record No.</u>	<u>Expiry Date</u>	<u>Recorded Holder</u>
MARINA #1-61	YA 34349-64	July 31, 1984	Patmar Resources Corporation

HISTORY - PREVIOUS DEVELOPMENT

Lead, zinc, copper and silver mineralization was discovered on the ground now held by the MARINA #1-16 claim group in the mid-1960's. Some trenching and a limited amount of short hole diamond drilling was done at that time in a cirque area on the present MARINA claims #9-11, 15-16,

PRICE 1 DOLLAR

HITEHORSE 26 Sept 1972
 28 Oct. 1964

9 Oct 73
 24 APRIL 73 4 NOV 74
 26 MAR 73 8 MAR 74
 19 MAR 73 5 AUG 74

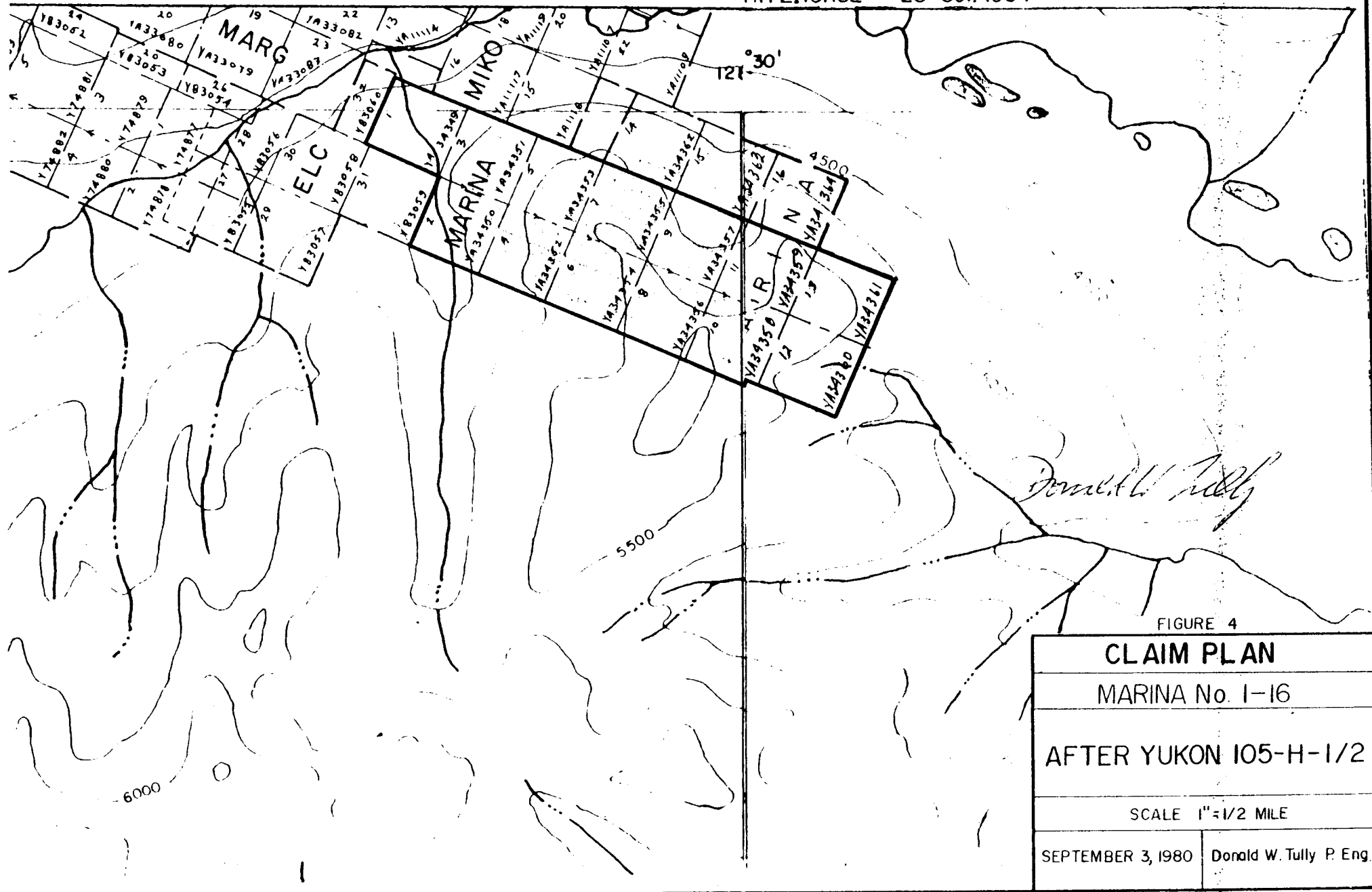


FIGURE 4

CLAIM PLAN	
MARINA No. 1-16	
AFTER YUKON 105-H-1/2	
SCALE 1"=1/2 MILE	
SEPTEMBER 3, 1980	Donald W. Tully P. Eng.

as well as some trenching in the area of the current diamond drill program on MARINA claims #4-5.

Some bulldozer trenching was done in the area of MARINA claims #2, 3, 4, 5 in 1979.

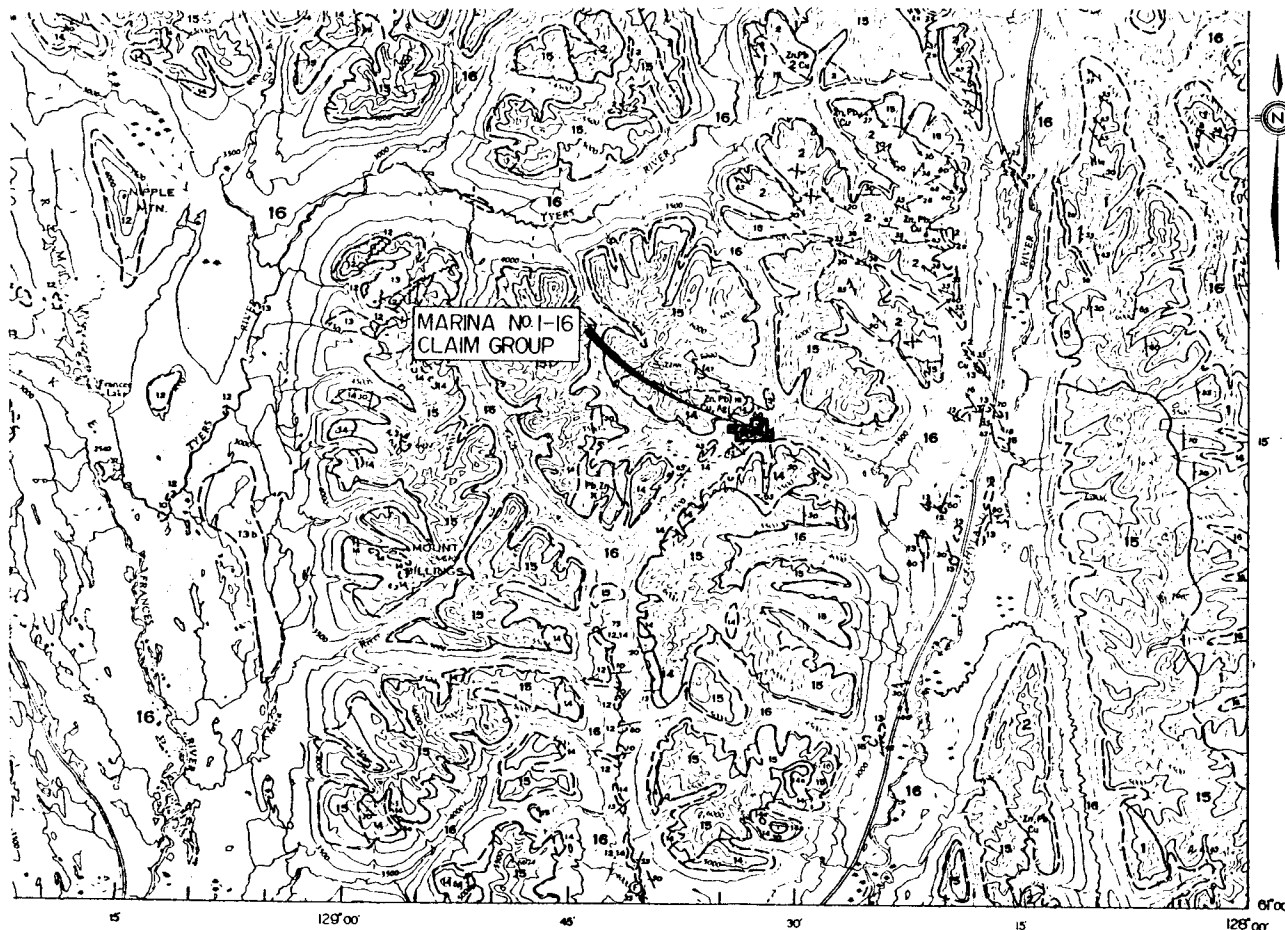
REFERENCES

1. Report on the MARINA Claims, Frances Lake Map Area - 105-H-2, Yukon Territory, on behalf of PATMAR RESOURCES CORPORATION by James W. McLeod, B.Sc., dated September 14, 1978
2. Geological Survey of Canada Map 6-1966 - Frances Lake 105-H
3. Yukon Claim Sheets 105-H-1 and 2

REGIONAL AND LOCAL GEOLOGICAL SETTING

Five lithological units are recognized on the MARINA claim group. A tentative geologic timetable is as follows:

<u>Formation</u>	<u>Description/Event</u>	<u>Age</u>
Sand, Gravel, glacial debris, talus	Unconsolidated (Erosional unconformity)	Quaternary
Mineralization Skarn zones	Silver, galena, sphalerite, chalcopyrite, pyrite, pyrrhotite (Folding, faulting and related tectonic activity)	Tertiary (?)
Granitic intrusives	Feldspar and quartz, porphyry dykes, quartz monzonite, biotite granite and granodiorite	Cretaceous (?)



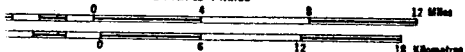
MAP 6-1966

GEOLOGY

FRANCES LAKE

YUKON TERRITORY AND DISTRICT OF MACKENZIE

Scale 1:253,440
1 inch to 4 miles



Printed by the Surveys and Mapping Branch

FIGURE 5
REGIONAL GEOLOGY
Modified After G.S.C.

Map 6-1966
September 3, 1980

David W. Kelly

is much thicker, it may be in part of Silurian age.

Units 10 and 12 are lithologically correlated with strata previously mapped in adjacent regions.

Unmetamorphosed, predominantly pelitic, strata (13) are believed correlative with Devono-Mississippian rocks in adjacent regions. Characteristic are chert-pebble conglomerate, varicoloured chert, and black quartz-bearing greywacke and gritty quartzite. In the Campbell Range unit 13 includes numerous small bodies of greenstone, many intrusive, but most of the greenstone, mapped as 13b, appears to be volcanic and probably overlies or occurs within the upper part of unit 13. Serpentinite (13c) is thought to be an integral part of the Devono-Mississippian assemblage. A profound angular unconformity occurs at the base of this sequence.

Unit 14 comprises mainly hornfelsed pelitic rocks whose age and correlation are in doubt. Overall lithologic character, lack of regional metamorphism in rocks near the gneissic belt (2) and one collection of Middle or Upper Devonian fossils (near the south boundary at 128° 40' W) suggest that probably most, if not all, of this unit is correlative with Devono-Mississippian strata of unit 13.

Granitic rocks (15) generally have sharply defined contacts, but in the schist-gneiss belt (2) they are commonly bordered by complex zones as much as 1/4 mile wide in which massive plutonic rock is interspersed with lit-par-lit migmatites and partly granitized inclusions. These mapped boundaries are largely arbitrary, based on proportion of intrusive to host rocks.

Outside the complexly deformed central crystalline terrain, regional structures trend northwest except in the northern part of the map-area where they become westerly. Regional metamorphism appears unrelated to Cretaceous (?) granitic intrusion and probably predates the Devono-Mississippian strata. These strata overlie schist and gneiss of unit 1 unconformably and are essentially non-schistose. Northwest-trending regional folds near Flat River, which may be related to tectonism in the central belt, are post Late Ordovician, as they involve rocks of this age and older. These folds clearly predate and are modified by intrusion of granitic rocks.

Sphalerite with minor amounts of galena, pyrrhotite and chalcopyrite occur in silicified calcareous members in several localities throughout the schist-gneiss terrain (2) and in hornfelses that may be equivalent to unit 13. Pyrrhotite with some chalcopyrite was noted in black slate and argillite of unit 13, west of Hyland River road at mile 53. Scheelite is reported in the north-central part of the map-area near 51° 48' in contact zones with calcareous beds of unit 1.

A high-grade tungsten deposit on Flat River is presently being mined by Canada Tungsten Mining Corporation. Scheelite, with pyrrhotite and minor amounts of chalcopyrite occurs with skarn minerals in massive Lower Cambrian limestone. The deposit is several hundred feet from nearest exposed granitic rocks, but within a zone of moderate to high-grade contact metamorphism.

MAP 6-1966
FRANCES LAKE
YUKON TERRITORY AND
DISTRICT OF MACKENZIE
1980

<u>Formation</u>	<u>Description/Event</u>	<u>Age</u>
	(Metamorphic effects as a result of folding, faulting and related tectonic activity associated with the granitic intrusives)	
Meta-sediments	Impure quartzite, and related paragneissic and sericitic schist derivatives, marbleized impure limestone, shale and slate, phyllite, pelite	Probably late Paleozoic (?) with possible Cambrian

Structurally, the metasedimentary assemblage trends northwesterly and dips around 50 - 65° to the southwest (Figures 5 and 9).




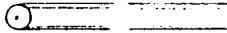
Metamorphism is locally quite intense. Skarn zones, both mineralized and unmineralized are generally in the vicinity of an intrusive contact and are marked by epidote. Most of the calcareous sediments have been altered to skarn.

Observations by the writer suggest the lead-zinc, silver mineralization occurs in stratiform habit and the concentrations may well be related to a combination of dragfolding and cross-faulting action opening fractures and fissures particularly in the areas of skarn alteration.

RESULTS OF THE 1980 DIAMOND DRILL PROGRAM

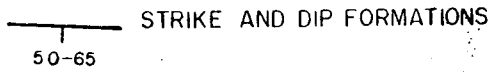
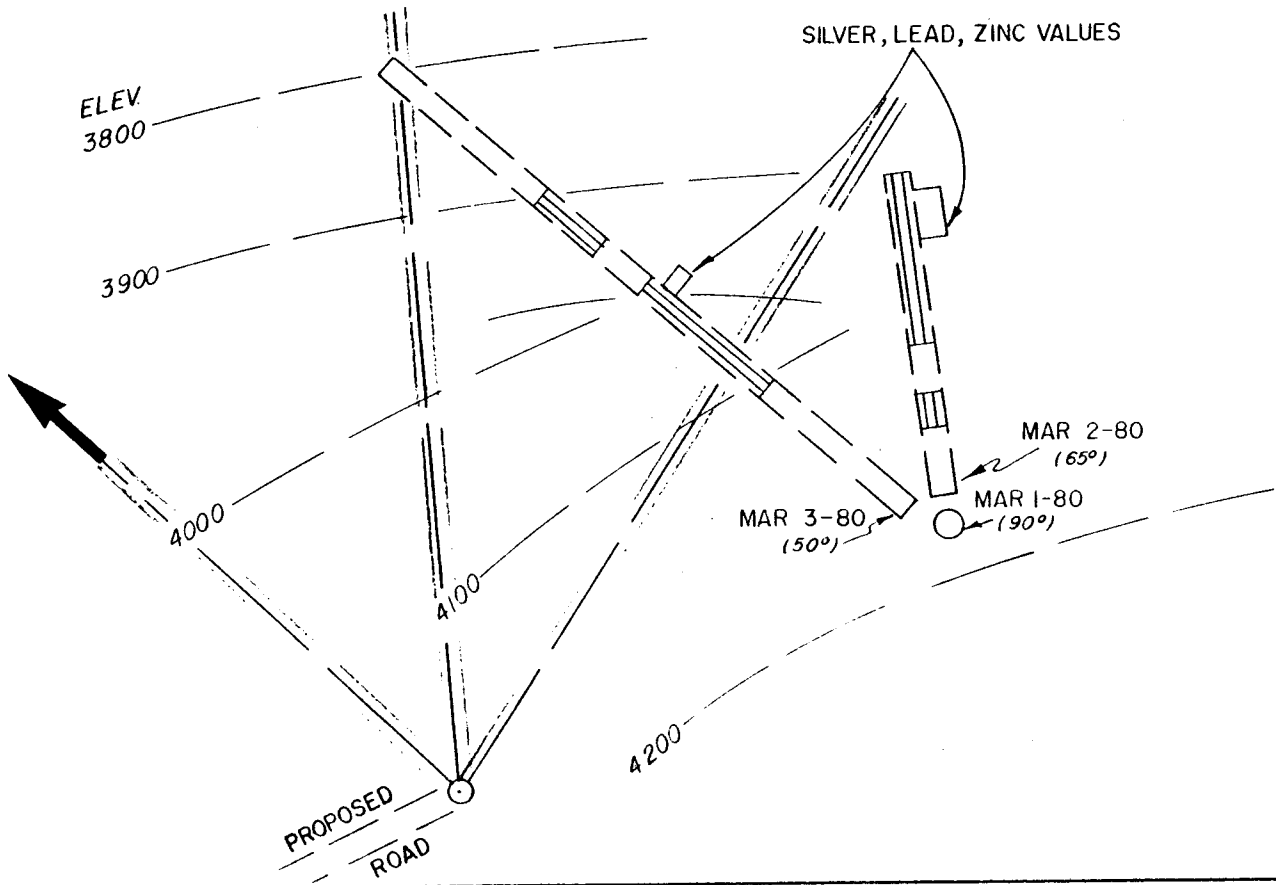
Three surface diamond drill holes, totalling 287.04 metres (941.5 feet) of BQ wireline core, were drilled. The holes are shown in plan and section on Figures 6, 7 and 8. The logs of these drill holes are shown in the APPENDIX to this report.

LEGEND

-  TALUS SLOPE
-  SKARN
-  D.D. HOLE COMPLETED
-  D.D. HOLE PROPOSED



Donald L. Kelly



STRIKE AND DIP FORMATIONS

FIGURE 6

PATMAR RESOURCES CORP.
PLAN OF D.D. HOLES 1-80, 2-80 AND 3-80
SCALE 1cm = 10m
SEPTEMBER 3, 1980

The results of the assays of the mineralized sections intersected in the core are summarized as follows:

<u>DDH #</u>	<u>Depth</u>	<u>Dip</u>	<u>Direction</u>	<u>Intersection</u>							<u>Remarks</u>
				<u>FM</u>	<u>To</u>	<u>Width</u> <u>Metres</u>	<u>Au</u> <u>ozs.</u>	<u>Ag</u> <u>ozs.</u>	<u>Zn</u> <u>%</u>	<u>Pb</u> <u>%</u>	
MAR 1-80	37.65m	90 ^o	-	-	-	-	-	-	-	-	Hole lost
MAR 2-80	101.52	65 ^o	350 ^o	78.96 - 80.34	80.34 - 82.44	1.38	0.002	1.02	-	-	
				82.44 - 82.77	82.77 - 90.00	0.43	0.002	4.80	2.35	3.45	
				90.00 - 91.31	91.31 - 92.07	1.31	0.002	0.69	2.49	0.07	
				92.07 - 92.62		0.55	0.002	0.83	2.69	2.81	
				78.96 - 82.77		3.81	Low values in skarn				
		86.04 - 92.62		6.58	Low values in skarn						
MAR 3-80	147.87	50 ^o	300 ^o	64.02 - 67.07	67.07 - 78.96	3.05	0.002	1.02	1.59	1.46	
				43.29 - 50.00		6.71	Low values in skarn				
				63.41 - 71.34		7.93	Low values in skarn				
				88.87 - 92.07		5.64	Low values in skarn				

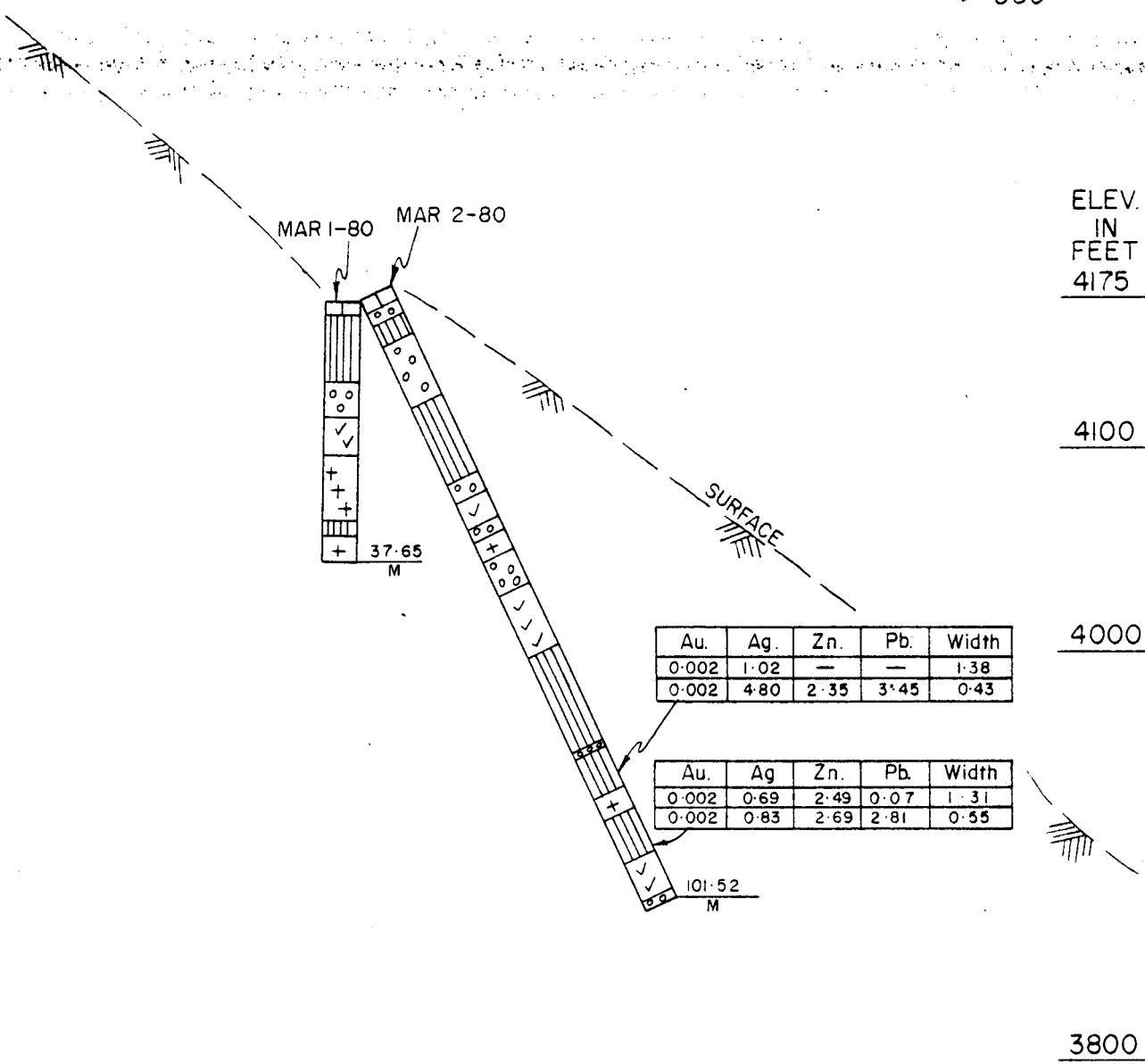
The core width of the skarn zones in diamond drill hole 2-80 represents sections trending across the strike. The rock types dip about 50 - 65^o to the south into the hillside. Two substantial skarn zones were intersected in this hole between 18.14 m - 30.06 m (39 feet) and 72.10 m - 93.11 m (69 feet) and both carried low values in all the metals assayed.

Diamond drill hole 3-80 was drilled into the strike of the rock formations.

RECOMMENDATIONS

It is proposed that a further diamond drill test be performed to explore the zones of silver-lead-zinc bearing skarn for bodies of substantial metal enrichment. The substantial size of the skarn zones which trend westerly across the claim area is encouraging and these may host an economic mass of silver-lead-zinc mineralization under optimum fracture pattern conditions.

→ 350°



MAR 1-80 MAR 2-80

ELEV. IN FEET
4175

4100

4000

3800

SURFACE

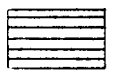
Au.	Ag.	Zn.	Pb.	Width
0.002	1.02	—	—	1.38
0.002	4.80	2.35	3.45	0.43

Au.	Ag.	Zn.	Pb.	Width
0.002	0.69	2.49	0.07	1.31
0.002	0.83	2.69	2.81	0.55

37.65
M

101.52
M

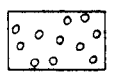
LEGEND



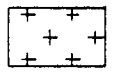
SKARN ZONE



F.P. AND GRANITE DYKES



TUFF AND SILSTONE



CONGLOMERATE

Donald W. Kelly

FIGURE 7

SECTION THROUGH D.D. HOLE MAR 2-80
LOOKING WEST
SCALE 1cm. = 10m.
SEPTEMBER 3, 1980

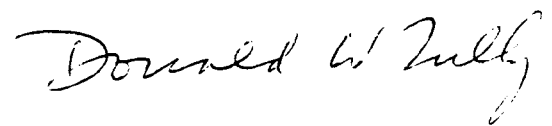
Road access is recommended to a point above and east of the location of holes 1-80, 2-80, 3-80 as shown on Figure 6, and three more diamond drill holes be drilled northward across the strike of the skarn zones as indicated.

ESTIMATED COST OF THE PROPOSED WORK PROGRAM

Road access to elevation about 4,200 feet a.s.l. would require about 1½ kilometres of construction.

(Tractor road - 1½ kilometres @ \$5,000/km)	\$ 7,500
Three BQ core size wireline diamond drilling each 120 metres in length (400 feet each x 3 = 1,200 feet) (1,200 feet x \$52/foot) =	62,400
Supervision, core-handling, assaying, travel and engineering reports	<u>6,000</u>
Estimated total cost	<u><u>\$75,900</u></u>

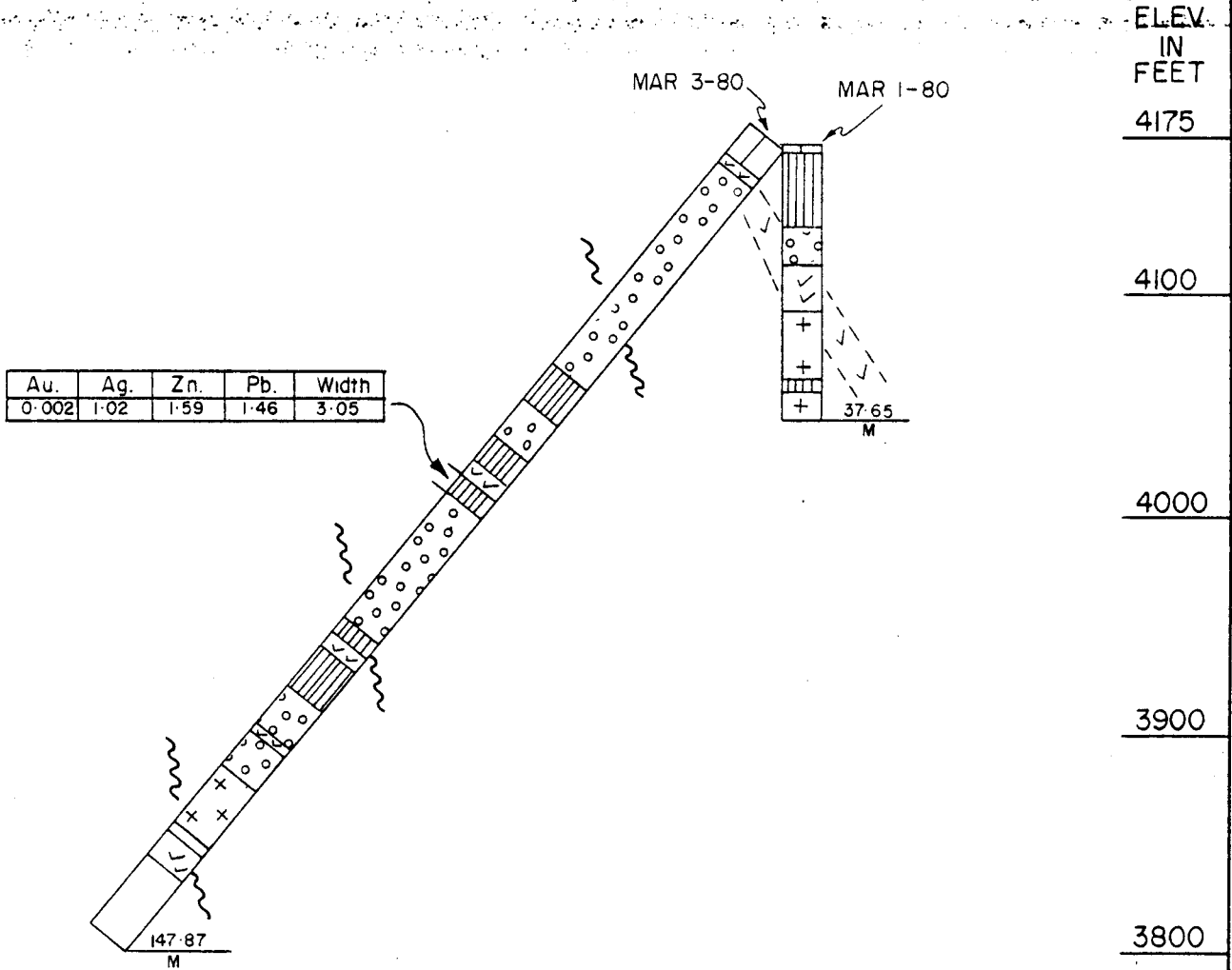
Respectfully submitted,



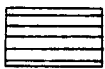
Donald W. Tully, P. Eng.

September 3, 1980

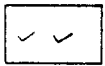
→ EAST



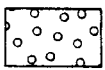
LEGEND



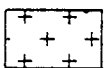
SKARN ZONE



FP AND GRANITE DYKES



TUFF AND SILSTONE



CONGLOMERATE



FAULT ZONE

Donald W. Kelly

FIGURE 8

SECTION THROUGH
D.D. HOLE 3-80

LOOKING NORTH

SCALE 1cm. = 10m.

SEPTEMBER 3, 1980

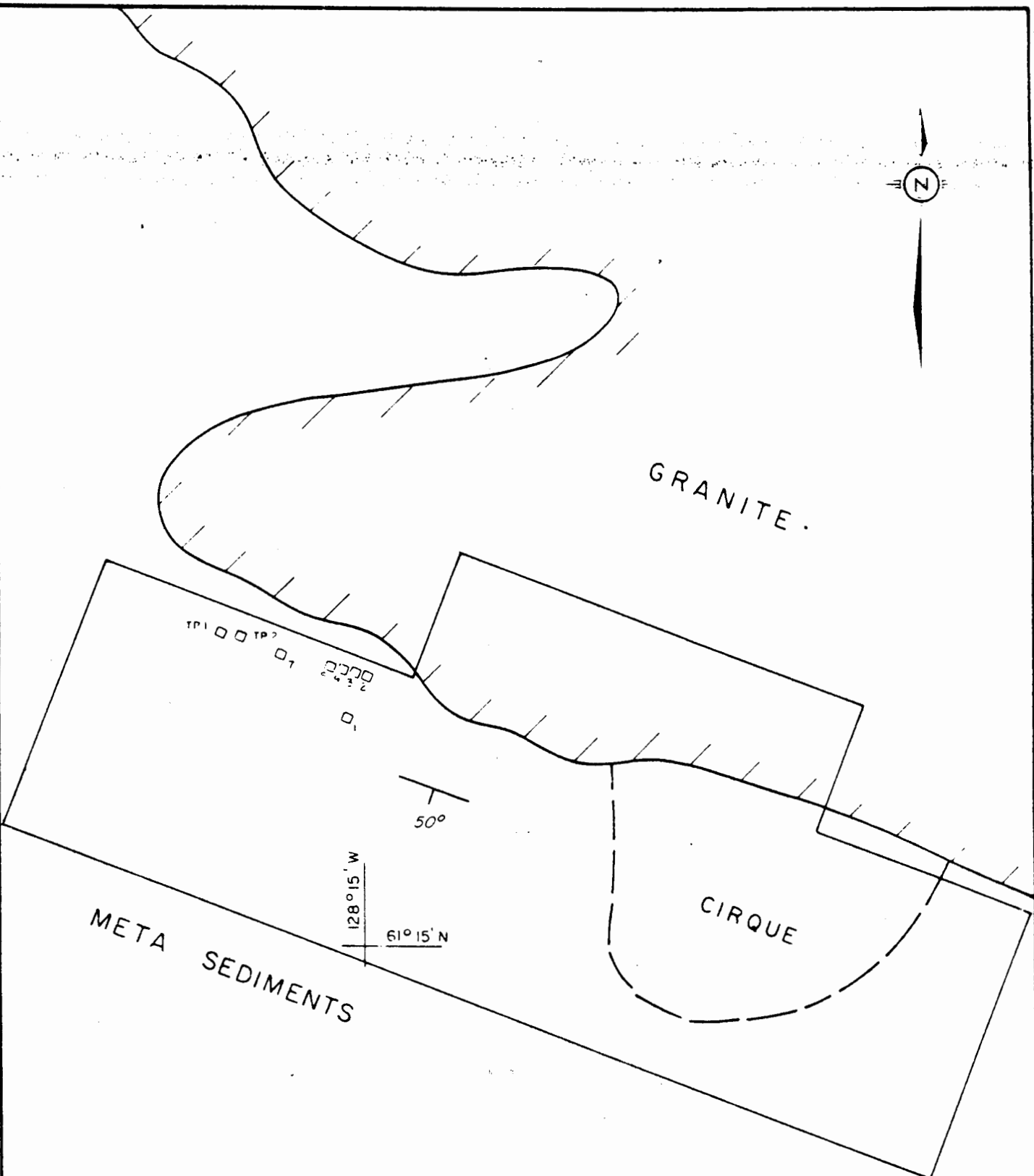


FIGURE 9

PATMAR RESOURCES CORPORATION
GEOLOGY PLAN

SCALE: 1 inch = 1500 feet

MARINA CLAIM BOUNDARY
FIGURE
(AFTER A PLAN IN A REPORT BY J.W. McLEOD B.Sc.)
DATED September 20, 1978

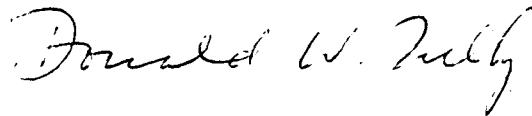
Donald W. Kelly

CERTIFICATE

I, DONALD WILLIAM TULLY, of the City of West Vancouver, Province of British Columbia, hereby certify as follows:

- 1) I am a Consulting Geologist with an office at Suite 102, 2222 Bellevue Avenue, West Vancouver, B.C.
- 2) I am a registered Professional Engineer of the Provinces of British Columbia and Ontario.
- 3) I graduated with a degree of Bachelor of Science, Honours Geology, from McGill University in 1943.
- 4) I have practiced my profession for thirty-five years.
- 5) I have no direct, indirect or contingent interest in the shares of Patmar Resources Corporation or the MARINA No. 1-16 mineral claims, subject of this report, nor do I intend to have any interest.
- 6) This report dated September 3, 1980 is based on personal field examinations I made on August 7-8, 1980, logging the diamond drill core, and from information gathered from available maps and reports.
- 7) Written permission from the author is required to publish this report dated September 3, 1980 in any Prospectus or Statement of Material Facts.

DATED at West Vancouver, Province of British Columbia, this 9th day of September, 1980.



Donald W. Tully, P. Eng.,
Consulting Geologist



Haack Petroleum Consultants, Inc.

7030 South Yale • Suite 502 • Tulsa, Oklahoma 74177 • 918-492-2323

February 9, 1981

Patmar Resources Corp.
709-525 Seymour St.
Vancouver, B.C., Canada

Attention: Mr. David War

Re: F.C.D. Oil Corporation 1980B-3
Oklahoma 10 Well Drilling
Program

Dear Sir:

Enclosed please find a copy of our estimated cashflow projection for the wells included in the F.C.D. Oil Corporation 1980B-3 Drilling Program.

In the attached Table No. 1, we have tabulated the estimated risk-adjusted cashflow attributable to the ten (10) wells as estimated by Haack Petroleum Consultants, Inc. (see attached report). It should be noted that these estimates are based on 100% working interest in each well. The cashflow projections do not reflect drilling, completion, and equipment costs nor any financing expenses or any carried working interests earned by the general partner (F.C.D. Oil Corporation) or others.

A system of reserve classification is used by Haack Petroleum Consultants, Inc. as a means of expressing our opinions as to the degree of risk associated with such reserves. "Risk" as used here refers to risk of inaccuracies due to insufficient information. This may be due to the early state of development drilling, too little production history, uncertainties of a political or human nature over which we have no control, etc. The Reserve Classification System is described in detail following this letter.

The accuracy of any reserve estimate, especially when based on volumetric analysis or by analogy with offset wells prior to production testing, is a function of the quality of available data, and of engineering interpretation and judgment. While these reserve estimates are believed to be reasonable, they should be accepted with the understanding that reservoir performance, or consideration of more complete and/or more accurate data received subsequent to the date of the estimate may justify a revision, either upward or downward.