



## Exploration Report

## History:

Date of incorporation was November 21, 1984 with the option agreement with Sulpetro Minerals Ltd. on November 23, 1984 being accepted by both parties.

In the option agreement, an agreement for a smooth take-over was implied with billing done to Sulpetro on a sharing basis with Canadaka. In the option the mill building, warehouse, etc., with all supplies were involved so the staff was shared and supplies were shared until September. This was meant that initial supplies, taxes, insurance, vehicles were billed to Sulpetro then shared by Canadaka.

Meaning that lighting, heating, pumping repairs, security were on a shared basis until Canadaka Mining Corporation received financing, wages were also included.

Canadaka was conditionally approved for listing on the Toronto Stock Exchange on October 28, 1985.

Canadaka was unsuccessful in completing the financing contemplated and accordingly was not listed on the T.S.E.

A new source of private placement money was arranged and the program which commenced in September 1985 was followed through with development until April 18, 1986.

## Properties:

In the option agreement with Sulpetro 3300 acres of mineral rights were acquired as well as 5 operational shafts and a 300 ton per day silver mill.

Four of the shafts are interlinked by underground workings and all have operational pumps needing servicing. Namely, these are the Lawson, University Cleopatra and Conisil Shafts.

Part of the option was the mill building which contains the accountant office, manager office, mill supt. office, engineers office, geological office, warehouse, machine shop, electrical shop, dry and core shock.

All portable machinery is stored in here such as crane truck, bull dozer, loader vans and 1/2 ton and 1 ton truck. These buildings were heated and had fire protection.

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In the financial statement it shows Canadaka making payments to Sulpetro and Novamin which are an expense covered by the original option.

Exploration Program:

The total program was to spend \$2.4 million dollars over a 22-month period.

Monies were received in September 1985 after the decision to do this part by ourselves was arrived at.

During the months of August and September tenders were submitted to four contractors to bid on doing the total rock work Phase I and Phase II with pumping kept separate.

These contractors were:

Vi Arn Const. - Cobalt Ontario  
Redpath Mining - North Bay  
P. H. Harrison - North Bay  
Mining Corp. - South Porcupine

After their submission in September because of the high costs involved we decided to pump out the mines on our own.

During this time of tendering we found a mouse had shorted out a 100 H.P. electric motor on the Conisil shaft so this had to be taken out and repaired. This was in place on September 27 but with grouting it was six days of installation. This meant a delay of time to do other chores such as install pipe etc. getting ready to pump.

Month of October:

Employees working for Canadaka on this period were L. Othmer, S. Sullivan, R. Bearstow, R. Dickinson, M. Perron, and P. Gores.

Pump arrived October 4/85, cable was installed to the 300 level, pipes hooked up and pump started on October 10/85.

Rail was repaired in shaft house on deck and underground. The deck was started.

The water level was on the 535 level on November 1, 1985.

One worker hurt his thumb and was unable to return to work.

Month of November:

Additional employees were a carpenter and helper to install deck, deck house and repair head frame.

Pumping was completed to the 610 level on November 13th. Due to a cave in and bad ground conditions we decided to leave the large pump at the 610 until we found how much water actually was behind the pile of rock. The large pump was returned on November 30/85. We were approximately ten days over our estimate.

All motor pumps on 535 level, 610 level were removed and sent for repair.

All machinery stored at the other shafts were hauled to the Conisil area.

Air lines were installed and repaired underground and an inspection of all workings was done.

A new 4" Air line was installed from the shaft house to the compressor room.

Several cars of old timber were brought to surface, as well as cars, etc.

The miners completed repairing manway, fixed ladders.

The electrician checked out electric system, phones, ventilation fans.

This completed the monies of pumping, winterizing, clean up on our budget. Shaft was completed by month end with employees laid off.

December and January:

Mines on care and maintenance basis with some surface clean up and preparing for winter.

The ventilation fans sent out for repair, purchased warehouse supplies to repair pumps such as foot valves etc.

Large timbers cleaned up at shaft were used to store rails, pipe, in a neat manner.

Kept roads and shafts available over the holidays with our own equipment and crew.

Around January 15th we started ordering equipment we would need to proceed on our own with the rock work. This was because, the prices were so high we wouldn't have been able to do half our program.

On January 20/86 L. Othmer hired as Project Manager, we rehired cagetender, hoistman, deckman, mechanic and miners.

Total employees Jan 31/86 was 11.

The miners rechecked all air lines for leaks and condition of the lines all over the three mines. More scrap was found and removed to surface.

The water held by the muck pile had now receded and was normal.

#### February: Surface

Air compressor delivered and installed receiver installed, compressor in old dry building, had to install heaters.

The septic bed froze, dug up but weather cold. The township lent us their steam Jenny but to no avail.

Standby compressor at mill, being used to test machines and drills. A load timber arrived as well as three new machines with drill still.

A new hoist rope was installed, batteries for motor arrived.

#### February: Underground

310 Level: All old rail, pipe, timbers removed, raised up water line and hooked up to Lawson shaft. Bell system working.

Slashed west wall of station to enlarge for double rail as the area around shaft would entail more work. Slashed and removed 126 cars of waste.

460 Level: Cleaned up, installed two dynamite storage areas. These will hold one weeks supply of blasting equipment. Bell system working.

535 Level: Charging station installed for the motor with ventilation very poor. Bell system working.

Slashed south wall of 5355 Cross cut and advanced three rounds on a curve in the Kurvation rock horizon. This was to intersect a calcite vein soon. This heading produced 98 cars of waste.

610 Level: Pump installed with standby ready but needing new foot values. Check all air lines for leaks. This level will have to be cleaned up at a later date.

Supplies February:

Timber and ties ordered.  
Electric fans sent to Westinghouse.  
Had to order normal supplies to replenish the warehouse such as nuts, belts, chain, nails, shovels, batteries, key wire.

Comment on February:

- i) Had a **visit** from the Ministry regarding ventilation.
- ii) Had a visit from MNR Temogami regarding pits, shafts, trenches on ground held by us.
- iii) L. Othmer and myself attended a compensation seminar at Ramada Inn, Toronto to explain the new assessment system for small mines such as ours.
- iv) Purchased new and used still from Kewagoma Mines in Que., sent Sam and Lawrence to get it.

March: Surface

Installed new hoist rope at University shaft and hooked up cage with tests.

Checked water level, found abundant ice in shaft and timber needed to make things safe. A shaft lining had to be installed on the 291 level. This will handle any extra water we get from spring run off.

Pumping on a 2 day schedule.

Plans are now that all shafts are exposed individually, other areas may be investigated especially the Cleopatra and the Giroux Mine.

Power failures by the Hydro have plagued us all month. One instance was that three pumps were burnt by a sudden turn to one phase power. We were very fortunate to have spares.

Production: March

310 Level: During the month slashing continued on the west wall northerly while a slash was taken on the south wall to start the crass cut was accomplished.

The miners from here were used to fix the University shaft and install the pump.

There was a total of 133 cars of waste removed from this level.

535 Level: Advance southerly was 100.5 feet for a total advance of 116.5 feet. There were 402 cars of waste removed and hoisted to surface.

A vein was encountered and followed throughout the month. The vein consisted of calcite sulphides, cobalt and silver and assayed from 0.5 oz/ton to 10.2 oz/ton. This amount is not considered to be economical.

It does indicate we are following a potentially economic silver bearing vein. As we advance to the south we are entering a more favourable ore horizon.

The ventilation fans were installed and shams in the progress we have made.

Comments:

- i) M.N.R. revisited the property over the pits, shafts and trenches and will probably use their own students this summer to do this.
- ii) Attended the Prospectors Convention on my own.

April: Surface

Had to extend the deck on surface because of ice with drowal.  
Had to move compressor outside.  
Received a delivery of rail.

Underground:

310 Level: All mucked removed from north section and fine rounds advanced southerly on cross cut. Ready to make turn. Waste hoisted 155 cars of waste. Slashing, drilling, dam excavation.

Rebar installed and carpenter work done ready for cement. This will give a structure 4"x6"x18" in size.

535 Level: Advance for the period was 83 feet for a total of 199 feet from commencement. There were 321 cars of waste hoisted to surface.

The vein is strong with several strong cross veins appearing. Numerous calcite veins splay off the main vein and some carry silver values. These should be investigated if the vein in the face doesn't spruce up. Test holes should check left wall. At closure a calcite vein is in the face but weakening.

#### University Shaft:

This shaft kept pumped on a daily basis and keeping the water below the 291 level. No signs of ice.

#### Personnel:

All miners and mechanics beside staff were laid off April 18, 1986 due to a shortage of money.

Staff will keep properties on a standby basis according to our option.

Staff were given their blue slips on May 2, 1986.

#### Option Surrendered:

On May 5, 1986 Novamin Resources executed their option and all properties, buildings, vehicles, etc. were returned to them.

Sam Sullivan, M. Perron, Reg. Bearisto are being employed as care and maintenance for Novamin. Mr. Ed Short is the Manager.

#### Recommendations:

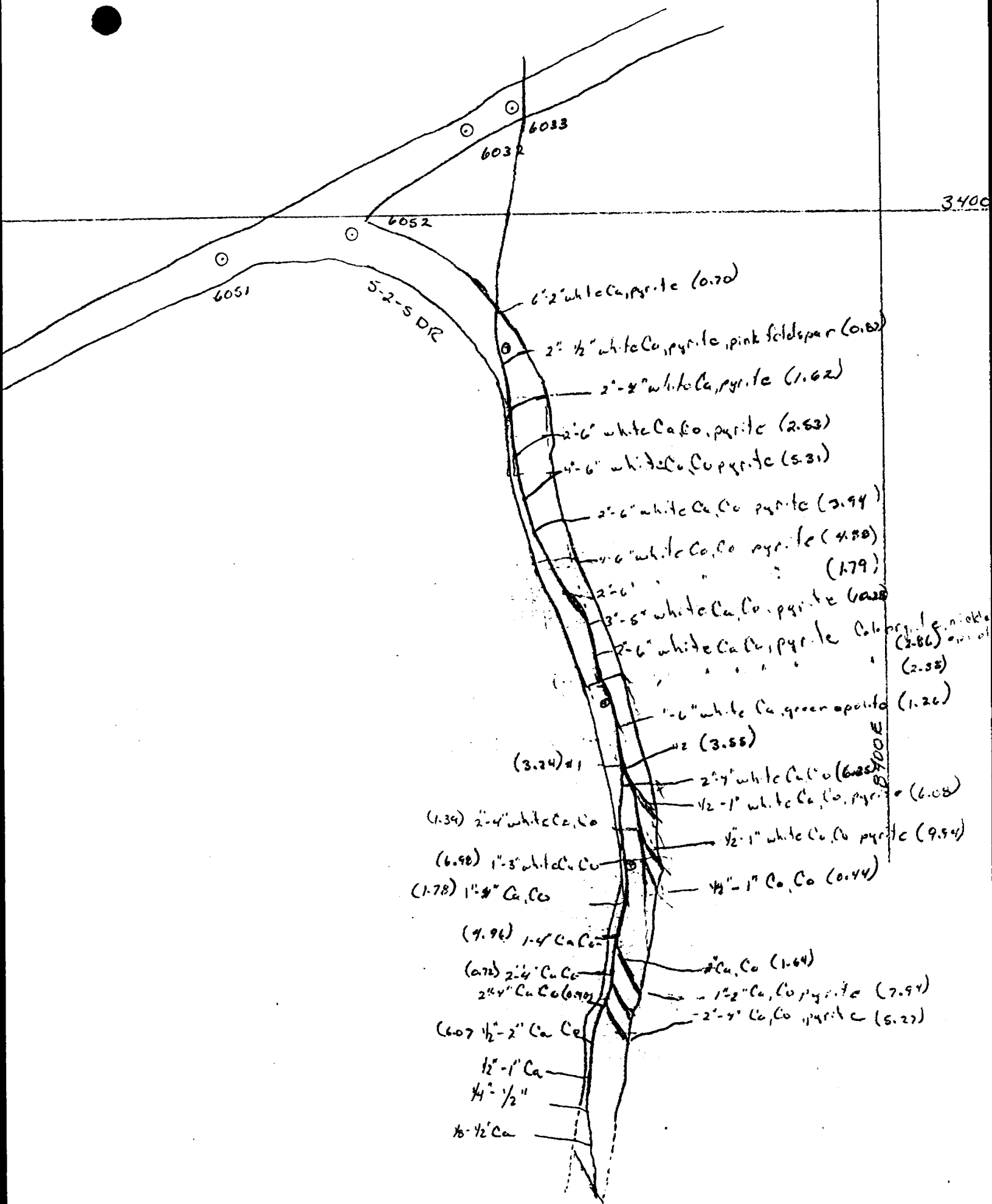
I would recommend the program to be followed to completion as the dirty work is over and good times are ahead.

Respectfully submitted  
Hugh A. Moore, P.Eng.  
General Manager  
Canadaka Mines

Employees :

- 1) H.A. Moore P.Eng.-Mine Geologist-Gen Mgr
- 2) L. Othmer P.Eng.-Mine Mgr - Prod. Mgr
- 3) S. Sullivan -Bookkeeper, Timekeeper, Warehouseman,  
Purchasing
- 4) M. Perron -Mechanic
- 5) R. Dickinson -Electrician
- 6) R. Bierstow -Mechanic (part time)
- 7) M. Smith -Machine Mechanic
- 8) Dale Gagne -Surveyor
- 9) G. Neill -Electrician
- 10) G. Bilodeau -Hoistman
- 11) P. Gores -Cagetender
- 12) R. Allard -Deckman
- 13) E. Labelle -Miner
- 14) R. Corville - "
- 15) G. Salzberg - "
- 16) G. Roy - "

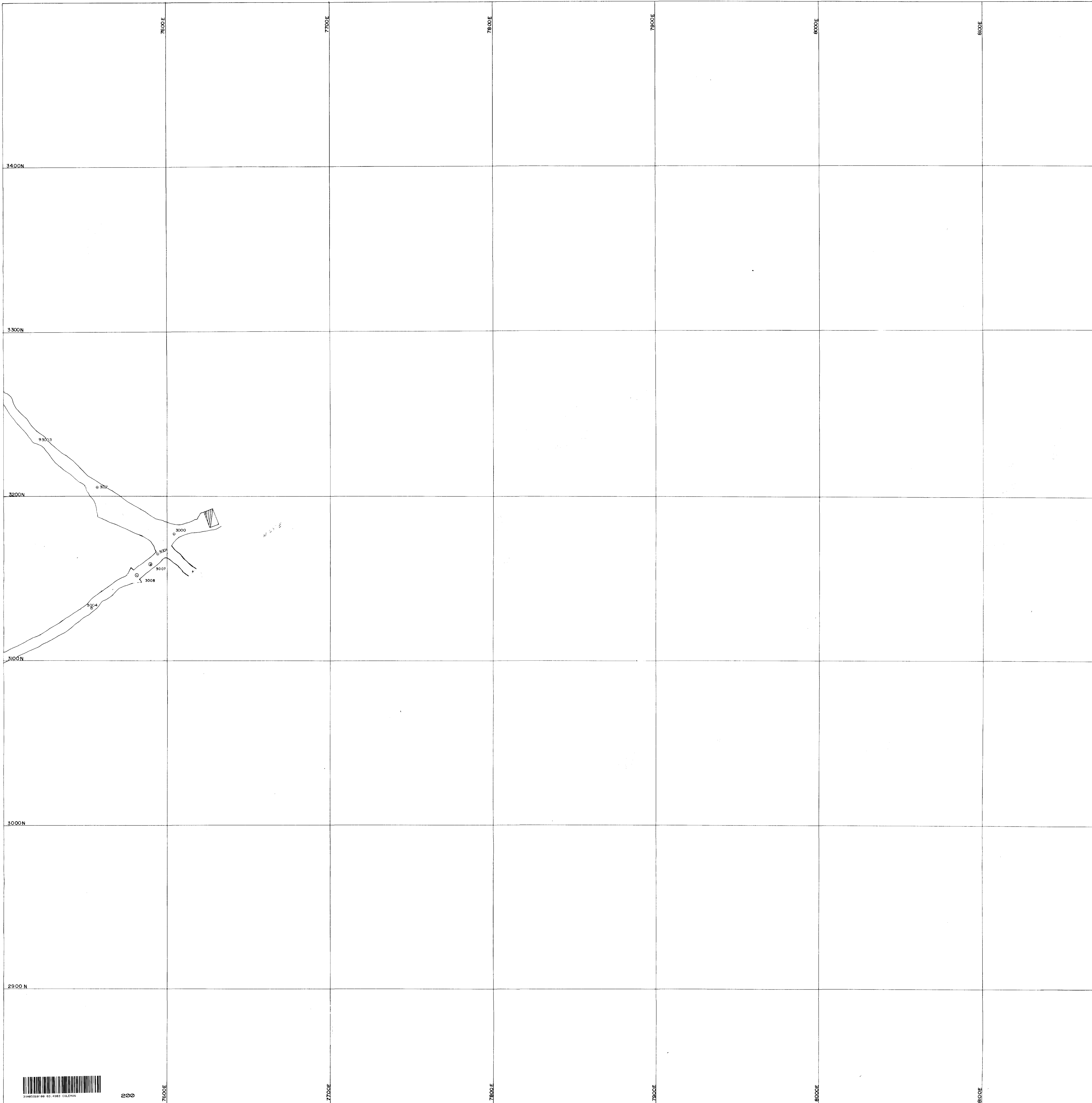




H. A. Moore

ASSAY RESULTS  
5-2-S DR  
SCALE 1" = 20'

154  
2-26-42



200

7600E

7700E

7800E

7900E

8000E

8100E



MINING, MINES & RECONSTRUCTION  
COMPANY, LTD.

SCALE 1:500

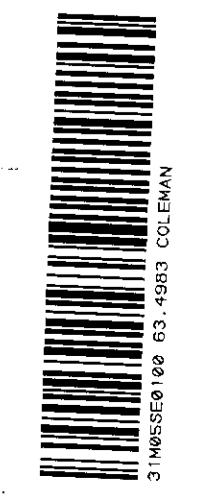
MINE PLAN 555 Level

DATE ISSUED

DATE REVISED

DRAWN BY 4877

# 63.4983  
0186-6-C-27



7900E

8000E

8100E

8200E

8300E

3400N

3300 N

3200N

3100N

3000 N

2900N

#63.4983  
0MB6-6-C-27

**CANADAKA MINES LIMITED**  
COBALT, ONTARIO

CONISL MINE 310 level  
PLAN

DATE	REVISION	DATE REVISION
OCT 4 79		

7900E

8000E

8100E