010

GEOLOGICAL APPRAISAL

OF THE

MONTE CARLO GOLD MINES LTD. (DAIMLER GROUP)

COLRAY RESOURCES OPTION

IN

MARION TOWNSHIP

ONTARIO

By: Neil D. Novak, B.Sc., F.G.A.C.
August 27, 1987

TABLE OF CONTENTS

1. Introduction

2. Location, Access & Facilities

3. Property Description

4. History of Exploration

5. Regional Geology

6. Table of Formations

7. Work Program (1987)

8. Local Geology

9. Mineral Occurences

10. Interpretation

11. Recommendations

12. Claims Inspection

13. Submission

14. List of References

15. Letter of Consent

16. List of Figures

    (a) Figure 1 - Portion of Marion Twp., Ontario Claim Map, Daimler & Blue Falcon Mines Ltd.

    (b) Figure 2 - Daimler Resources & Blue Falcon Mines Ltd. Linecutting sketch (preliminary)

    (c) Figure 3 - Monte Carlo Gold Mines (Daimler Group) Geological Compilation

    (d) Figure 4 - Generalized Geology Marion Twp.

INTRODUCTION

The following is a geological appraisal of a group of claims located within the western extension of the Swayze synclinorium of the Abitibi greensone belt. This property is located approximately 50 kilometres west-northwest of the village of Gogama, Ontario, in the township of Marion. The registered owner of these claims is Daimler Resources Inc. of 20 Advance Blvd., Brampton, Ontario L6T 4R7.

The Daimler Claims were acquired in early July, 1984, to cover a region of favourable geology for the location of economic grade gold and base metal deposits. Monte Carlo Gold Mines in an agreement dated March 24, 1987 acquired these 81 claims.

This report is resultant from a compilation of regional mapping and airborne geophysical surveys by the Ontario Ministry of Natural Resources, and by Terraquest Ltd., as well as assessment file searches on record at the O.M.N.R. Assessment Library, several old press releases, and personal knowledge of the area as obtained by previous geological mapping and site visits to various locations within and around the same general area as this property by this author.

In the summer of 1987 two geologists in the employ of Blue Falcon Mines Ltd., under the auspices of this author performed detailed geological mapping of the properties on cutlines with 400' centres. This work was performed on behalf of Colray Resources Inc., of Saskatoon in their effort to spend $150,000 to acquire a 25% interest in the properties. A list of pertinent references is included at the end of this report.

LOCATION, ACCESS AND FACILITIES

This property is located at the southwest corner of Rush Lake, in Marion Township, 50 kilometres west-northwest of the village of Gogama, Ontario. This town is located approximately 186 kilometres north of the city of Sudbury, via the King's highway number 144.

Access to the property is gained by travelling south from Gogama approximately 20 kilometres along highway 144, then west along an Eddy Forest Products service road to the train stop of Ramsay, the north along this road to the intersection of the Jerome mine road and the Rush Lake access road. The Rush Lake road swings due north past Opeepeesway Lake and into Mallard Township, from this point on, an off-road vehicle or a rugged truck is required to get to the southwest bay on Rush Lake, via old lumbering roads. When on Rush Lake the property is accessible by boat via the Rush River, which passes through the centre of the property. Access to this property may also be gained by Helicopters based in Timmins, or by float planes based in Gogama.

There are no facilities within the limits of the claim group, but the Canadian Pacific Railway system passes some 25 kilometres to the southwest of the property accessible at Ramsay Station.

PROPERTY DESCRIPTION

This property is located in Marion Township in the Porcupine Mining Division of the Province of Ontario. The Property consists of 81 claims all contiguous as indicated on the accompanying claim sheet (Fig.1) The following is a breakdown of these claims by claim numbers and expiry date.

Daimler Resources Inc.

808025	-	041	(17)	20 days due July 3/87
808055	-	066	(12)	20 days due July 3/87
808633	-	650	(18)	20 days due July 3/87
808653	-	686	(34)	20 days due July 3/87
Total			(81)	

These claims have been staked and recorded in compliance with the Ontario Mining Act, and this report is being submitted to the appropriate branch of the Ontario Government for the applicable work credits regarding assessment reporting.

HISTORY OF EXPLORATION

The Swayze syncline has undergone intermittent exploration since the early 1900's, when Mr. P. Moore in 1912 reported the first gold showing near Moore Lake in Yeo Township some 30 kilometres to the southeast. In 1927, another showing was encountered on the east short of Clam Lake in Chester Township, just east of the Moore Lake discovery. This showing became known as the Chester-Shannon prospect, initiating a small staking rush in this new gold belt. Several other prospects were discovered in the early 1930's in the same general area of Clam Lake, Three Duck Lake and Schist Lake all situated in Chester and Yeo Townships, causing a scattering of old exploratory shafts and pits throughout the area.

In 1938, Mr. B. Jerome, while prospecting in Osway Township, located 20 kilometres to the south, encountered a significant gold occurrence on the south shore of Opeepeesway Lake including what is now called the Jerome Mine. This mine went into production in 1939 and sustained production until 1945. The records of production were as follows: ("1939 to 1945: Three compartment vertical shaft to 1138 feet with levels at 200, 350, 500, 650, 800 and 1100 feet. Underground development amounted to 21,000 feet of drifting, 3,155 feet of cross-cutting, and 3,402 feet of raising. Surface and underground diamound drilling totalled 38,149 feet and 47,293 feet respectively. A 500 ton mill operated from 1941 to 1943, but all equipment was sold when production was halted".) Production from this mill from 1941 to 1943 was 56,789 ounces of gold, and 15,105 ounces of silver, in 335,060 tons of ore yielding a recovered grade of 0.17 ounces of gold per ton. At the time of closure the ore reserves were estimated at 344,000 tons averaging 0.19 ounces of gold per ton.

This discovery and subsequent development sparked further interest in this portion of the Swayze syncline resulting in the discovery of several prospects including the Bi-Ore, Cipway, and Skye all in the same general area, of Opeepeesway Lake. As prospectors moved further north along the Opeepeesway water system into Mallard, Marion and Heenan Townships, they came up with several other notable occurrences including the Hermiston and Ferland, Gauldie and Mogridge occurrences in central Mallard Township, as well as the Amarado and Burke occurrences in Heenan Township and the Derraugh occurrence in Marion Township, and more recently (early 1970's) the Texore occurrence near Rush Lake in southeastern Marion Township.

Renewed activity has been monitored in the vicinity of the Derraugh and Burke occurrences in eastern Heenan Township and western Marion Township.

Daimler Resources Inc. maintains a very strategic land position with respect to the activities in this portion of the Swayze belt.

Colray Resources Inc., entered into an option arrangement with Monte Carlo Gold Mines Ltd. and Daimler Resources Inc. to spend $150,000 to gain a 25% interest in the properties.

REGIONAL GEOLOGY
(after Siragusa and Goodwin)

This property lies within the Superior Geological Province of the Precambrian Shield of Northern Ontario. The area underlying this property is a typical greenstone belt in that it contains numerous metavolcanic and metasedimentary units in a linear synclinal belt. This particular belt has been termed the Swayze syncline of the Abitibi greenstone belt.

Flanking the synclinal supracrystals rocks to the north and south are the regional granites, which occupy much of the shield area. This group of rocks (unit 6) are of undetermined age, and consist of granites, trondhjemite, granodiorite, and quartz monzonite. The rocks are typically pegmatitic to batholithic in nature.

The syncline, as it is found is comprised of two roughly parallel belts of predominantly tholeitic basalt (unit 5), which form the base of the syncline and trend in a west-northwesterly direction and dip subvertically. The rocks are essentially basaltic in composition but having undergone various levels of metamorphism, yielding gabbroic or even dioritic looking rocks which are essentially homogeneous recrystallized derivatives of the original basalt, and dominantly migmatitic.

The basaltic base was overlain by a series of calc-alkaline volcanics represented in the pile by pyroclastic metavolcanics of mafic (unit 1) to intermediate (unit 2) composition. These metavolcanics are locally interbedded with lenses and layers of the underlying basalt. The pyroclastic units are mostly aphanitic to tuffaceous, and contain lenses of granitoid and metasedimentary rocks. These granitoids are presumably fragments of older sub-volcanic felsic intrusions which are present as dykelets of a coarse feldspar porphyry (unit 4) which appear to intrude the metavolcanic pile, displaying concordant to discordant relationships.

The metasediments (unit 3) are comprised of dominantly metamorphosed clastic (3a), and chemical (3b) sediments. The clastic portion consists of polymictic conglomerates, conglomeratic arenites, arenites, greywackey, and derived schists, while the chemical representatives are chert, cherty mudstone, ferruginous chert and ironstone (iron formation).

Transecting the area in a roughly north-northwesterly pattern is a series of dikes, diabasic in composition, typical of the Keeweenawan swarm (units 7 & 8).

TABLE OF FORMATIONS
(after G.M. Siragusa)

PHANEROZOIC

CENOZOIC

QUATERNARY

Pleistocene, Recent

Fluvial, Lacustrine and swamp deposits

GREAT UNCONFORMITY

PRECAMBRIAN

PROTEROZOIC

Mafic Intrusives
Diabase dikes (unit 8)
Lamprophyre dikes (unit 7)

ARCHEAN

INTRUSIVE CONTACT

Felsic Intrusives
Granites, Trondhjemite, Granodiorite, Pegmatite and Quartz Monzonite (unit 6)

INTRUSIVE CONTACT

Migmatitic Rocks
Diorite, Gabbro and Hornblendite (unit 5)

Subvolcanic Felsic Intrusives
Porphyries, Derived schists (unit 4)

INTRUSIVE CONTACT

Metasediments
Clastic (unit 3a), Chemical (unit 3b)

Metavolcanics
Intermediate (unit 2), Mafic (unit 1)

WORK PROGRAM (1987)

During the summer of 1987 linecutters from Timmins, Ontario were employed to establish a grid co-ordinate system over the entire property. Base lines were established in an east-west direction, with the necessary perpendicular tie lines and alternate base lines required to gain position control in a property of this size. Offset lines were established every 400' along each base line with stations picketed every 100' along offsets. A total of 59.5 miles were covered during the course of this survey, along with 6.0 miles of shoreline coverage. Figure 2 indicates the suggested line coverage over the claim group, the actual lines are slightly different due to topographic discrepencies with published maps and other logistical problems encountered in the field. The geological compilation (Fig. 3) is a more accurate portrayal of the actual lines. Two geologists; Mike Alexander and Lewis Bursey were employed by the contractor Blue Falcon Mines Ltd. to carry out the field work under the auspices of this author. Other men employed included Bob Leliever as expeditor/prospector and Mike Clarke as prospector. The grid area has been geologically examined and prospected resulting in a comprehensive geological interpretation and map at a scale of 1" to 400' indicating several sulphide showings, which will eventually be tested for their precious and base metal potential. The following discertation is based on the two geologists field observations and notes.

LOCAL GEOLOGY (Figure 3)

The rock units in the Rush Lake - Rush River (Marion Twp.) area have been broken down into three groups from east to west. Generalized contacts between the three groups trend 020° (NNE) (See Figure 4).

The most easterly group is a large granite intrusive. This unit grades from east to west; from a very red-pink medium grained rock with abundant hornblende phenocrysts (grains) with localized hornblende enriched xenoliths of varying sizes 1" to 5', to a much coarser grained biotite granite. The coarser granite is poorly formed displaying corroded and embayed feldspar crystals, imparting a more pink than red tinge to the rock. This unit has several porphyritic areas or zonations as indicated by very coarse feldspar crystals. Two of these areas show significant copper mineralization as typified by line 3200'E at 2600'N. A few small fine-grained diorite intrusive bodies were noted around the western edge of the granitic unit.

The central unit occupies a very large percentage of the property is collectively termed a granodiorite - diorite complex. The granodiorite is generally medium to coarse grained with an overall bleached (altered) white coloration. Field terminology for this rock type was loosely a white granite but for report purposes granodiorite would be the appropriate rock classification. The fine to medium grained diorite is intruded into the granodiorite as dikes and tongue-like large irregular masses. Contacts are generally quite sharp and show no signs of assimilation, although they occasionally display a slight chill margin in the diorite. The diorite itself usually displays distinct feldspar laths and in rare cases has porphyritic feldspar phenocrysts. Shearing and alteration has in some instances destroyed these primary textures and have made the diorite appear like a medium grained intermediate volcanic, similar to the western belt of volcanics. This complex is cut by numerous dike-like intrusions of quartz-feldspar porphyry, feldspar porphyry and a fine felsic intrusive which appears to be tuffaceous, due to its altered state. These intrusives are commonly found intruding the contacts between the granodiorite and diorites at an azimuth of 140°.

The most westerly group of rocks is of a series of flows and tuffs. The boundary region between the dioritic complex to the east and these volcanics is very difficult to discern in the field due to the fact that most of the intermedicate flows are quite massive and are heavily silicified to give them a dioritic texture. This and the fact that the quartz feldspar porphyritic units and other related felsic intrusives resemble the volcanics suggests that the diorite may have been derived from the assimilation and associated alteration brought on when the granite to granodiorite intrusive was introduced into the region. The volcanic sequence is composed of three basic rock types. Fine to medium grained intermediate flows which appear very similar to the diorite in places, with rare evidence of pillowing and flow top brecciation. In general these flows appear very massive resembling the diorites. The fine to aphanitic intermediate (rarely felsic) tuffs form the second volcanic rock type. These tuffs display a schistose to slatey cleavage (140° to 090°) with faint banding visible on weathered surfaces. Aphantic to almost glassy intermediate to acid rhyolites make up the last rock type. These rocks typically display fine flow banding. The intermediate flows and tuffs dominate this group while the felsic flows (rhyolites) become more predominent in the western portion of the property, west of Puppet Lake.

A major fault transects the property coursing along the Rush River at an azimuth of 145° this fault has introduced numerous quartz and quartz carbonate veins and veinlets into the surrounding granodiorite complex, along with some major quartz rich granitic (quartzolite) intrusions. Several minor splay faults are also noted running sub-parallel to the main fault at azimuth 110°. Two heavily mineralized fault zones are evident on either side of the main zone perhaps alluding to the nature of the fault structure. Heavy potassic alteration is found proximal to the fault which may be directly related to the structure.

MINERAL OCCURRENCES
(Heenan, Marion Townships)

This area saw an influx of activity in the late 1930's following the discovery of the Jerome Mine in 1938. Headlines in the Northern Miner on October 19, 1939 read "Claims staked for twelve miles in Heenan - Marion Gold Rush". This article went on to describe the flurry of activity related to the iron formation crossing the area. These include: Amorada Gold Mines "main showing is a wide zone heavily altered and carbonated. The walls on both sides are greenstone, the fine pyrite mineralization shows across a width of 75 feet. A number of showings of visible gold were found at one point in this trench.", and also the Burke Property "Gold has been found in a quartz vein close to the iron formation....the vein strikes in a northwest-southeasterly direction, approximately at right angles to the iron formation which is striking in a northeast-southwesterly direction.....showings of visible gold have been found at three points in this section....at the discovery point three grab samples gave assays between 0.068 o.p.t Au and 1.98 o.p.t. Au, as well as the Derraugh Group in west central Marion Township in which "A strong wide quartz vein has been traced in a northwest-southeasterly direction for a distance of 700 feet on the northwest claim....the vein carries only slight mineralization of fine pyrite and some specks of chalcopyrite. A few colors of gold have shown up in panning....some small quartz veins, carrying gold have been found within the intrusive mass." The area saw little exploration until the early 1970's when the Texore discovery was announced on the southwest shore of Rush Lake. This discovery consisted of a zone 300 feet by 100 feet which averaged 0.5 to 0.7 per cent Copper, a large grab sample yielded an assay of 3.356 per cent Copper, along with gold, silver, lead and zinc. Noranda was active in this Township during the mid to late 1970's outlining several areas of sulphide mineralization, as is indicated on the accompanying geologic compilation plan. Since this time the area has seen little if any exploration activity.

INTERPRETATION

From geological field evidence it is apparent that the old volcanics as exposed in the western portion of the property have been intruded by a very large granite-granodioritic multiphased intrusion. Assimilative contacts are gradational yielding a bleached - potassic altered dioritic looking area which is nearly 1½ miles wide. This contact zone was subjected to late stage regional shearing (Rush Lake fault zone). The regional faulting introduced numerous splay faults into the adjacent rocks most of which have been quartz and quartz-carbonate filled, some with associated sulphides. Evaluating these veins will be of prime concern in the next phase of activity in this area.

RECOMMENDATIONS

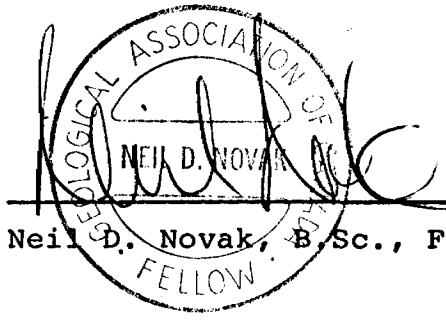
Numerous sulphide showings have been encountered in various geological settings throughout the current map area. Each showing should receive a further evaluation to ascertain its' economic significance. The next phase (commencing immediately) will utilize ground geophysics VLF electromagnetic and magnetics to delineate the sulphide zones on the ground, under the overburden. Backhoe and powerstripping will follow to expose these zones followed by selective grab sampling and then eventually plugging and blasting for systemmatic channel sampling.

CLAIMS INSPECTION

During the course of the geological mapping the two field geologists located and inspected the quality of the staking. No major errors were reported by either geologist, in fact they commended the staking crew as to their blazing of boundary lines and ease of following the lines to each post. Numerous posts were observed during the course of the survey and have been plotted on the accompanying geological compilation Fig. 3.

SUBMISSION

This report is respectfully submitted this 27th day of August 1987 to fulfill the requirements of the Ontario Mining Act Section.



Neil D. Novak, B.Sc., F.G.A.C.

LIST OF REFERENCES

Goodwin, A.M.

1961: Marion Township, District of Sudbury. Prelim. Geol. map # P.136.

Goodwin, A.M.

1962: Heenan, Marion and northern part of Genoa Townships, Sudbury District. map # 2067.

Gordon, J.G., Lovell, H.L., De Grijs, J., & Davie, R.F.

1979: Gold Deposits of Ontario, Ontario Geological Survey, Mineral Deposits Circular No. 18, pt. 2.

Ontario Geologic Survey

1982: Airborne Electromagnetic and Total Intensity Magnetic Survey, Swayze Area, by Questor Surveys Ltd., O.G.S. Map 80543, and 80548.

Siragusa, G.M.

1980: Mallard Township Area, District of Sudbury, O.G.S. Prelim. map # P 2342, Geol. Series.

Questor Surveys Limited

1981: Airborne Mark VI INPUT Survey, File Number 23006, (confidential file)

Northern Miner

October 19, 1939 issue pages 1, 5 and 17.

Ontario Mining Files

(Assessment Div.) including all reports on Mallard and Marion Townships available.

CERTIFICATE

I, NEIL D. NOVAK, to hereby certify:

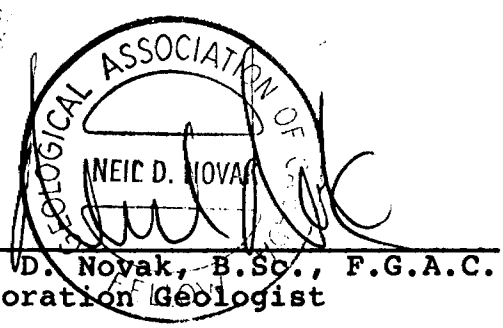
(1) that I am an exploration geologist residing at 1121-6599 Glenerin Dr., Mississauga, Ontario;

(2) that I am a graduate of the University of Waterloo, Waterloo, Ontario, and hold a Bachelor of Science degree as an Earth Scientist date 1977;

(3) that I am a fellow in good standing of the Geological Association of Canada;

(4) that I have been engaged in the practice of this profession since graduation;

(5) that I have no interest, direct or indirect, nor do I expect to receive any such interest in the properties or securities of Monte Carlo Gold Mines Ltd., or Blue Falcon Mines Ltd., or Colray Resources Inc.



Neil D. Novak, B.Sc., F.G.A.C.
Exploration Geologist

August 27, 1987

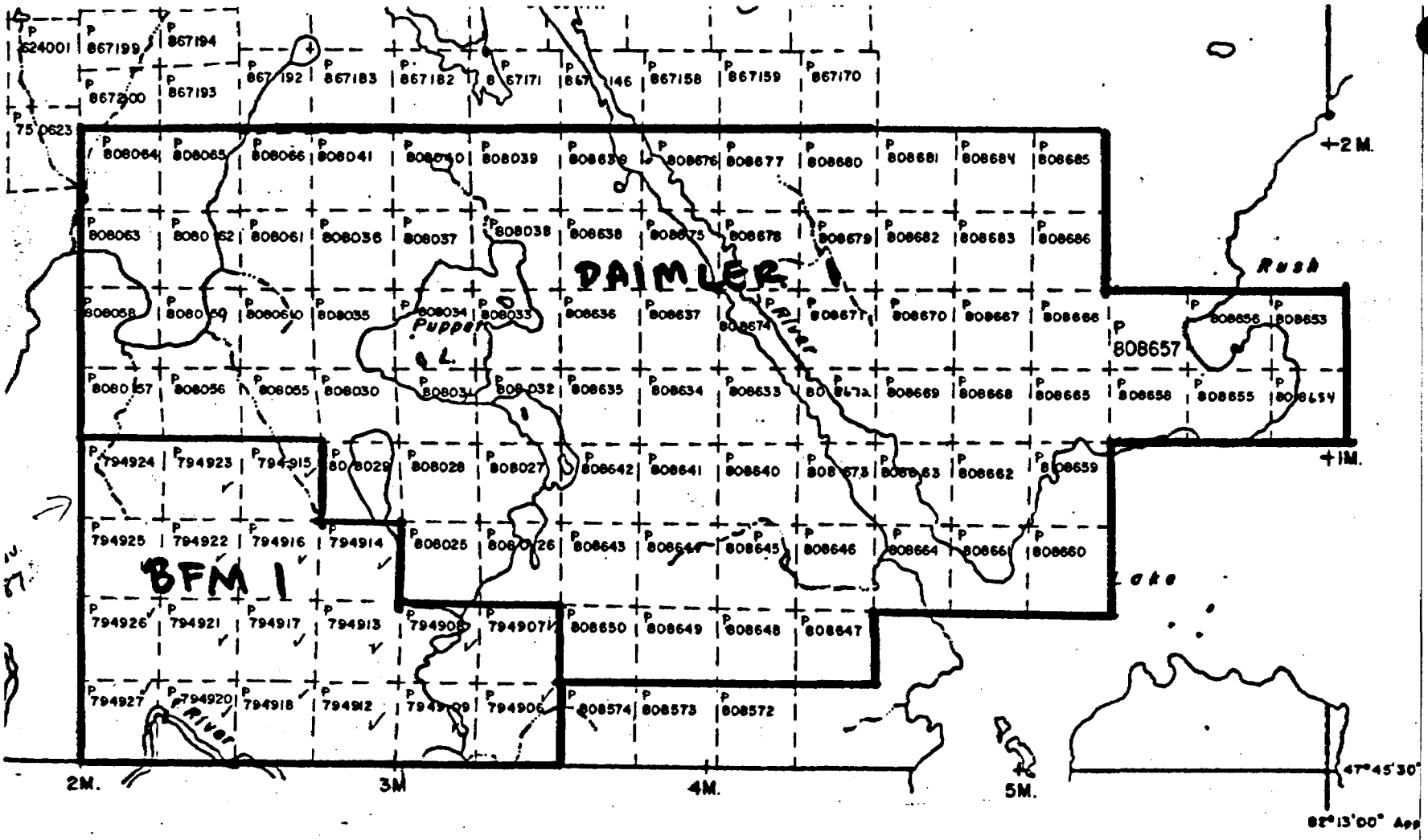


FIGURE 1

PORTION OF MARION TWP.

ONTARIO

CLAIM MAP DAIMLER & BLUE FALCON MINES.

Scale 1" = ½ mile.

GEOLOGICAL ASSOCIATION OF CANADA
NEIL D. NOVAK
FELLOW

NOMINEX

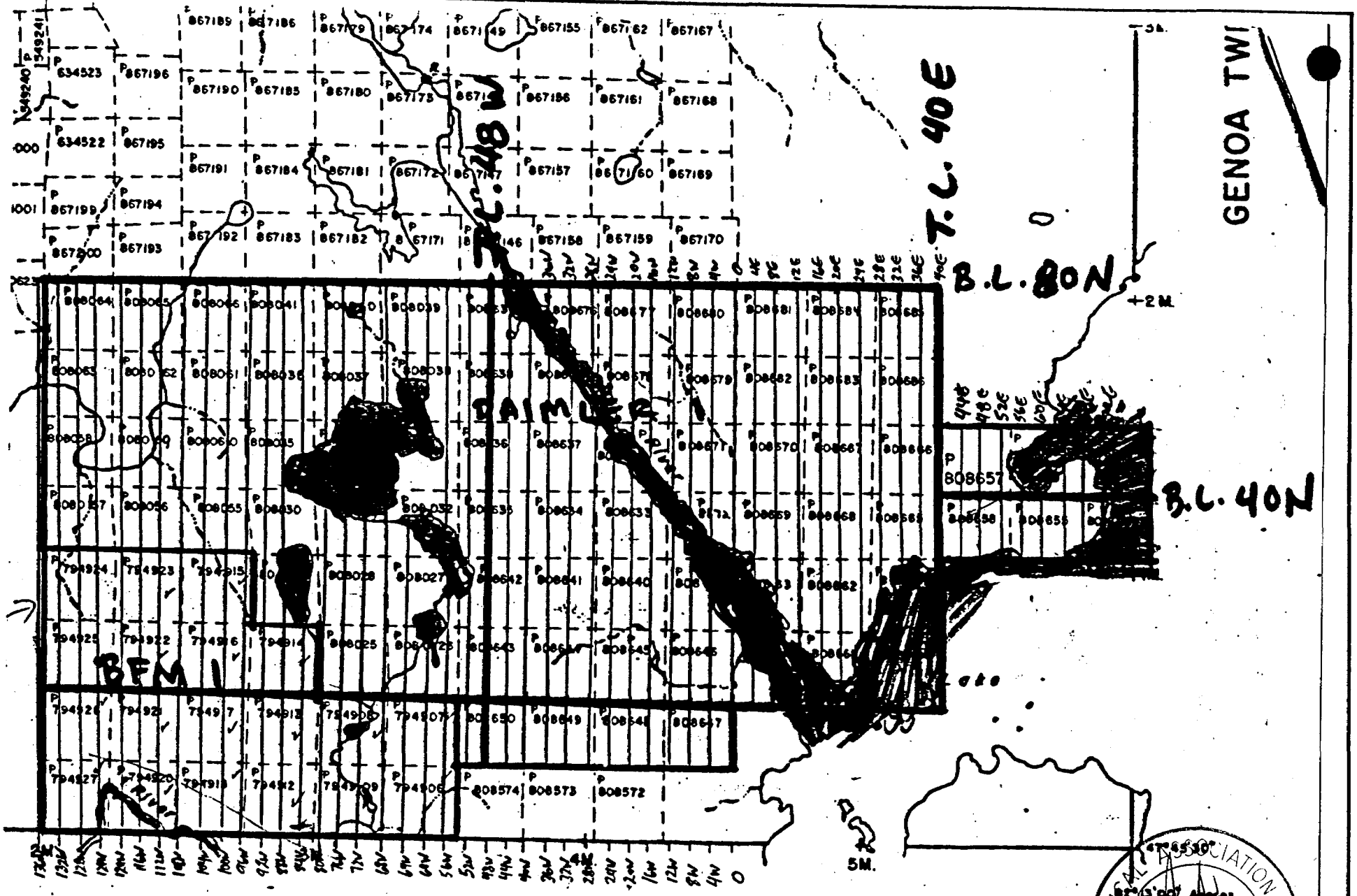


FIGURE 2 DAIMLER RESOURCES AND BLUE FALCON MINES LINECUTTING SKETCH (PRELIMINARY)

SCALE 1" = ¼ mile

GEOLOGICAL ASSOCIATION OF CANADA
NEIL D. NOVAK
FELLOW

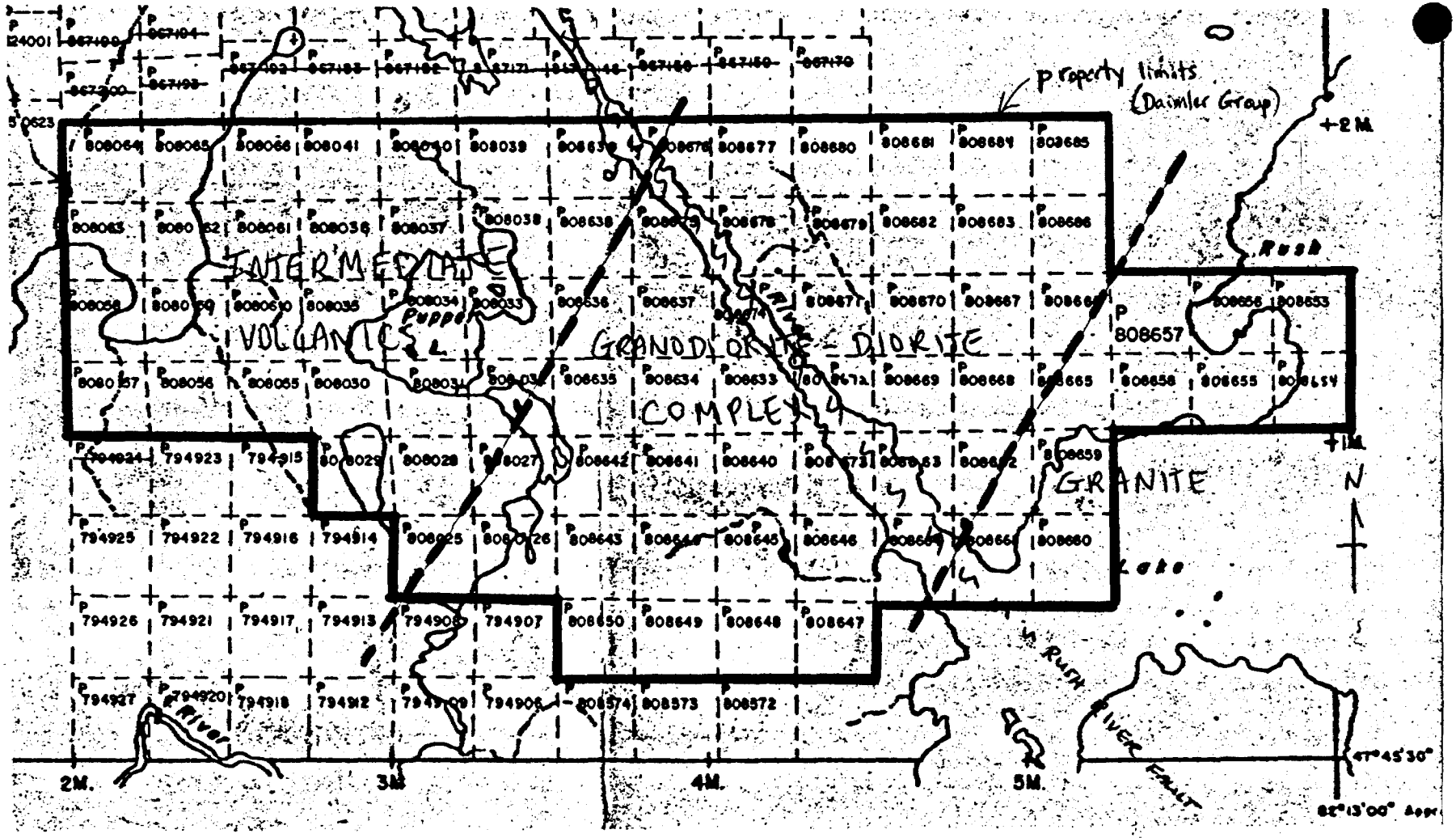


FIGURE 4 GENERALIZED GEOLOGY MAP (MARION TWP.)

SCALE 1" to ½ mile

Ministry of
Northern Development
and Mines

Ontario

Ministère du
Développement du Nord
et des Mines

October 13, 1987

Your File: 140/87
Our File: 2.10318

Mining Recorder
Ministry of Northern Development and Mines
60 Wilson Avenue
Timmins, Ontario
P4N 2S7

Dear Sir:

RE: Notice of Intent dated September 28, 1987
Geological Survey on Mining claims P-808025 et al
in the Township of Marion

The assessment work credits, as listed with the above-mentioned Notice of Intent, have been approved as of the above date.

Please inform the recorded holder of these mining claims and so indicate on your records.

Yours sincerely,

R.M. Charnesky (Mrs.)
Acting Manager
Mining Lands Section
Mineral Development and Lands Branch
Mines and Minerals Division

Whitney Block, Room 6610
Queen's Park
Toronto, Ontario
M7A 1W3

Telephone: (416) 965-4888

JS:pl
Enclosure: Technical Assessment Work Credits

cc: Dalmer Resources Inc.
Blue Fallon Mines Ltd.
20 Advance Blvd.
Brampton, Ontario
L6T 4R7

Mr. G.H. Ferguson
Mining & Lands Commissioner
Toronto, Ontario

Resident Geologist
Timmins, Ontario

Ministry of Northern Development Mines
Ontario

Technical Assessment Work Credits

File 2.10318

Date September 28,1987

Mining Recorder's Report of Work No. 140/87

Recorded Holder
Dalmer Resources Inc., Blue Fallon Mines Ltd.

Township or ~~Area~~
Marion

Type of survey and number of Assessment days credit per claim	Mining Claims Assessed
Geophysical	
Electromagnetic _____ days	P 808025 - 028 inclusive
Magnetometer _____ days	808032
Radiometric _____ days	808036 - 037 inclusive
Induced polarization _____ days	808039 - 041 inclusive
Other _____ days	808055 - 066 inclusive
Section 77 (19) See "Mining Claims Assessed" column	808633 - 649 inclusive
Geological 40 days	808657
Geochemical _____ days	808662
Man days ☐ Airborne ☐	808666 - 671 inclusive
Special provision ☒ Ground ☒	808677
☐ Credits have been reduced because of partial coverage of claims.	808679 - 686 inclusive
☐ Credits have been reduced because of corrections to work dates and figures of applicant.	

Special credits under section 77 (16) for the following mining claims

30 Days Geological	20 Days Geological	10 Days Geological
P 808030	P 808031	P 808029
808035	808033	808653 - 654
808038	808650	808659
808655 - 656 inclusive	808661	808664
808658	808663	
808665	808672	
808673,808675-676, 808678	808674	

No credits have been allowed for the following mining claims

☒ not sufficiently covered by the survey ☐ insufficient technical data filed

P 794906 - 909 inclusive
794912 - 918 inclusive
794920 - 927 inclusive
808034
808660

The Mining Recorder may reduce the above credits if necessary in order that the total number of approved assessment days recorded on each claim does not exceed the maximum allowed as follows: Geophysical - 80; Geologocal - 40; Geochemical - 40; Section 77(19) - 60.

Ministry of Northern Development and Mines

Ontario

Report of Work

(Geophysical, Geological, Geochemical and Expenditures)

#140/87

210318.

Aug 21

Mining Act

Instructions: – Please type or print.
– If number of mining claims traversed exceeds space on this form, attach a list.
Note: – Only days credits calculated in the "Expenditures" section may be entered in the "Expend. Days Cr." columns.
– Do not use shaded areas below.

Type of Survey(s): Geological, [redacted]	Township or Area: MARION. TWP.
Claim Holder(s): DAIMLER RES INC., BLUE FALCON MINES LTD.	Prospector's Licence No.: T-4673, T1441
Address: 20 ADVANCE BLVD. BRAMPTON ONT L6T 4R7	
Survey Company: BLUE FALCON MINES LTD.	Date of Survey (from & to): 02 06 87 (Day Mo. Yr.) 30 06 87 (Day Mo. Yr.)
	Total Miles of line Cut: 83.5 miles
Name and Address of Author (of Geo-Technical report): NEIL D. NOVAK (AS ABOVE)	

Credits Requested per Each Claim in Columns at right

		Days per Claim
Special Provisions: For first survey: Enter 40 days. (This includes line cutting) For each additional survey: using the same grid: Enter 20 days (for each)	Geophysical	
	· Electromagnetic	
	· Magnetometer	
	· Radiometric	
	· Other	
	Geological	40
	Geochemical	
Man Days: Complete reverse side and enter total(s) here	Geophysical	Days per Claim
	· Electromagnetic	
	· Magnetometer	
	· Radiometric	
	· Other	
	Geological	
	Geochemical	
Airborne Credits: Note: Special provisions credits do not apply to Airborne Surveys.		Days per Claim
	Electromagnetic	
	Magnetometer	
	Radiometric	

Expenditures (excludes power stripping)

Type of Work Performed

Performed on Claim(s)

Calculation of Expenditure Days Credits

Total Expenditures $ ÷ 15 = Total Days Credits

Instructions: Total Days Credits may be apportioned at the claim holder's choice. Enter number of days credits per claim selected in columns at right.

Date: July 2/87

Recorded Holder or Agent (Signature)

Mining Claims Traversed (List in numerical sequence)

Mining Claim Prefix	Mining Claim Number	Expend. Days Cr.	Mining Claim Prefix	Mining Claim Number	Expend. Days Cr.
P	808025			061	
	026			062	
	027			063	
	028			064	
	029			065	
	030			066	
	031			808633	
	032			634	
	033			635	
	034			636	
	035			637	
	036			638	
	037			639	
	038			640	
	039			641	
	040			642	
	041			643	
	808055			644-1	
	056			645	
	057			646	
	058			647	
	059			648	
				649	

RECEIVED
PURSUANT TO THE MINING ACT
JUL 3 1987

RECEIVED
JUL 1 1 1987

RECORDED
JUL 3 1987

Total number of mining claims covered by this report of work: 100

MINING LANDS SECTION

Mining Recorder

For Office Use Only

Total Days Cr. Recorded	Date Recorded	Mining Recorder
4000	July 3/87	
	Date Approved as Recorded: See revised statements	Branch Director

Certification Verifying Report of Work

I hereby certify that I have a personal and intimate knowledge of the facts set forth in the Report of Work annexed hereto, having performed the work or witnessed same during and/or after its completion and the annexed report is true.

Name and Postal Address of Person Certifying: Neil D. Novak — Blue Falcon Mines Ltd.

20 ADVANCE BLVD BRAMPTON ONT

Date Certified: July 2/87

Certified by (Signature)

1362 (85/12)

Ministry of Northern Development and Mines

Ontario

Geophysical-Geological-Geochemical Technical Data Statement

File _____

TO BE ATTACHED AS AN APPENDIX TO TECHNICAL REPORT
FACTS SHOWN HERE NEED NOT BE REPEATED IN REPORT
TECHNICAL REPORT MUST CONTAIN INTERPRETATION, CONCLUSIONS ETC.

Type of Survey(s) GEOLOGICAL.

Township or Area MARION.

Claim Holder(s) DAIMLER RESOURCES INC.
MONTE CARLO GOLD MINES 80% interest

Survey Company BLUE FALCON MINES LTD.

Author of Report NEIL NOVAK

Address of Author 20 ADVANCE BLVD BRAMPTON ONT.

Covering Dates of Survey JUNE 1 TO JULY 31 /87
(linecutting to office)

Total Miles of Line Cut 85.9 miles.

SPECIAL PROVISIONS CREDITS REQUESTED		DAYS per claim
ENTER 40 days (includes line cutting) for first survey.	Geophysical	
	--Electromagnetic	
	--Magnetometer	
	--Radiometric	
ENTER 20 days for each additional survey using same grid.	--Other	
	Geological	40
	Geochemical	

AIRBORNE CREDITS (Special provision credits do not apply to airborne surveys)

Magnetometer _____ Electromagnetic _____ Radiometric _____
(enter days per claim)

DATE: Aug. 27/87 SIGNATURE: _____
Author of Report or Agent

Res. Geol. _____ Qualifications 2.4227

Previous Surveys

File No.	Type	Date	Claim Holder

RECEIVED
AUG 31 1987
MINING LANDS SECTION

MINING CLAIMS TRAVERSED
List numerically

If space insufficient, attach list

(prefix)	(number)			
P.	808025,	808026,	808027	
808028,	808029,	808030,		
808031,	808032,	808033,		
808034,	808035,	808036,		
808037,	808038,	808039,		
808040,	808041,	808055,		
808056,	808057	808058,		
808059,	808060,	808061,	808062	
808063,	808064,	808065,	808066,	
808633,	808634,	808635,	808636,	
808637,	808638,	808639,	808640,	
808641,	808642,	808643,	808644,	
808645,	808646,	808647,	808648,	
808649,	808650,	808653,	808654	
808655,	808656,	808657,	808658,	
808659,	808660,	808661,	808662,	
808663,	808664,	808665	808666,	
808667,	808668,	808669,	808670,	
808671,	808672,	808673,	808674,	
808675	808676,	808677,	808678,	
808679,	808680,	808681,	808682,	
808683,	808684	808685,	808686	

TOTAL CLAIMS 81

OFFICE USE ONLY

837 (85/12)

GEOPHYSICAL TECHNICAL DATA

GROUND SURVEYS – If more than one survey, specify data for each type of survey

Number of Stations _____ Number of Readings _____

Station interval _____ Line spacing _____

Profile scale _____

Contour interval _____

MAGNETIC

Instrument _____

Accuracy – Scale constant _____

Diurnal correction method _____

Base Station check-in interval (hours) _____

Base Station location and value _____

_____

ELECTROMAGNETIC

Instrument _____

Coil configuration _____

Coil separation _____

Accuracy _____

Method: ☐ Fixed transmitter ☐ Shoot back ☐ In line ☐ Parallel line

Frequency _____
(specify V.L.F. station)

Parameters measured _____

GRAVITY

Instrument _____

Scale constant _____

Corrections made _____

_____

Base station value and location _____

_____

Elevation accuracy _____

INDUCED POLARIZATION RESISTIVITY

Instrument _____

Method ☐ Time Domain ☐ Frequency Domain

Parameters – On time _____ Frequency _____

– Off time _____ Range _____

– Delay time _____

– Integration time _____

Power _____

Electrode array _____

Electrode spacing _____

Type of electrode _____

SELF POTENTIAL

Instrument _____ Range _____

Survey Method _____

_____

Corrections made _____

_____

RADIOMETRIC

Instrument _____

Values measured _____

Energy windows (levels) _____

Height of instrument _____ Background Count _____

Size of detector _____

Overburden _____

(type, depth – include outcrop map)

OTHERS (SEISMIC, DRILL WELL LOGGING ETC.)

Type of survey _____

Instrument _____

Accuracy _____

Parameters measured _____

_____

Additional information (for understanding results) _____

_____

_____

AIRBORNE SURVEYS

Type of survey(s) _____

Instrument(s) _____

(specify for each type of survey)

Accuracy _____

(specify for each type of survey)

Aircraft used _____

Sensor altitude _____

Navigation and flight path recovery method _____

_____

Aircraft altitude _____ Line Spacing _____

Miles flown over total area _____ Over claims only _____

GEOCHEMICAL SURVEY – PROCEDURE RECORD

Numbers of claims from which samples taken _____

_____

_____

Total Number of Samples _____

Type of Sample _____
(Nature of Material)

Average Sample Weight _____

Method of Collection _____

_____

Soil Horizon Sampled _____

Horizon Development _____

Sample Depth _____

Terrain _____

_____

Drainage Development _____

Estimated Range of Overburden Thickness _____

_____

_____

SAMPLE PREPARATION
(Includes drying, screening, crushing, ashing)

Mesh size of fraction used for analysis _____

_____

_____

_____

General _____

_____

_____

_____

_____

_____

_____

_____

_____

_____

ANALYTICAL METHODS

Values expressed in: per cent ☐
p. p. m. ☐
p. p. b. ☐

Cu, Pb, Zn, Ni, Co, Ag, Mo, As,-(circle)

Others _____

Field Analysis (_____ tests)

Extraction Method _____

Analytical Method _____

Reagents Used _____

Field Laboratory Analysis

No. (_____ tests)

Extraction Method _____

Analytical Method _____

Reagents Used _____

Commercial Laboratory (_____ tests)

Name of Laboratory _____

Extraction Method _____

Analytical Method _____

Reagents Used _____

General _____

_____

_____

_____

_____

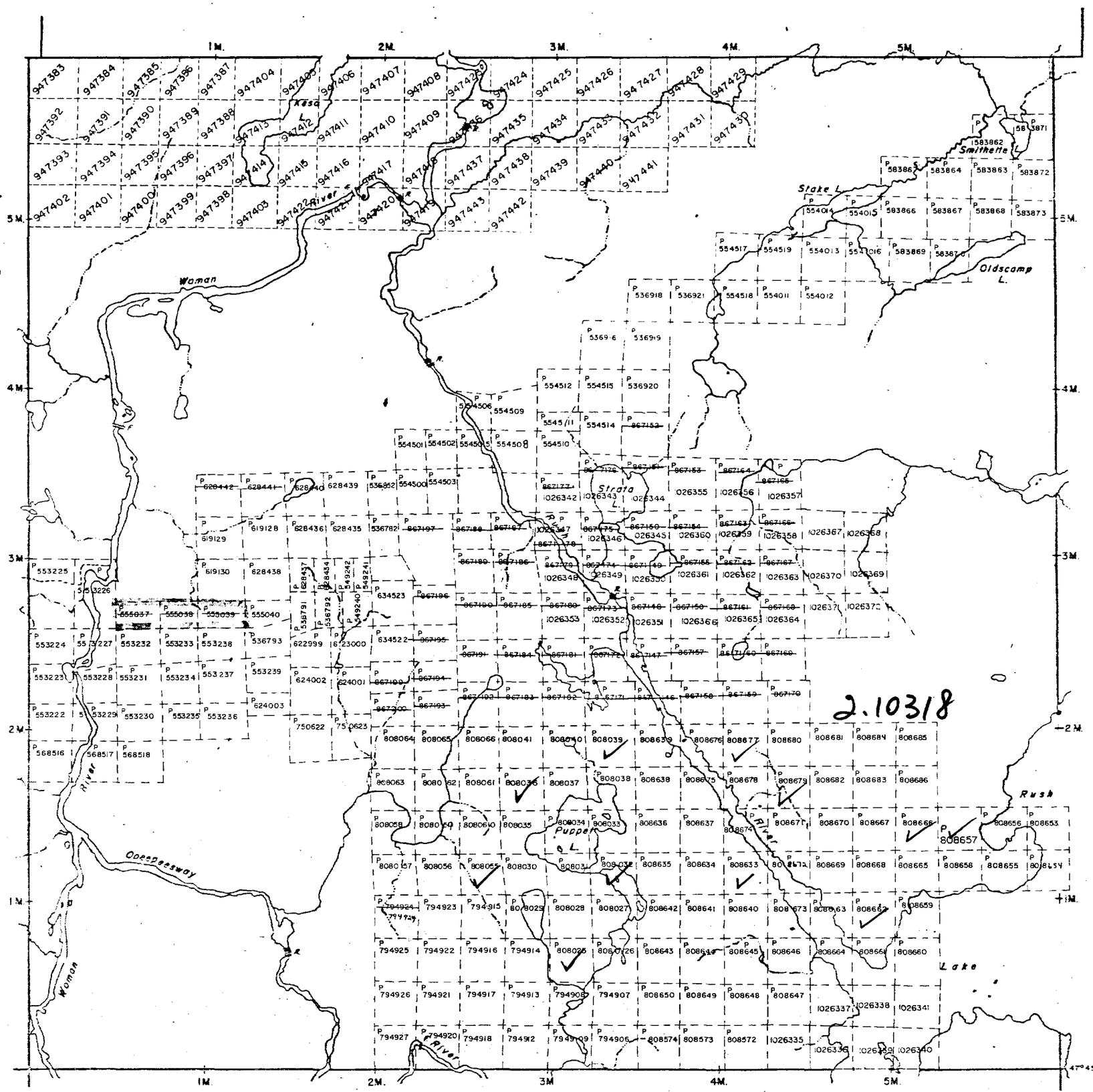
_____

_____

_____

_____

DALE TWP.



200

41016SE0009 2.10318 MARION

2.10318

AREAS WITHDRAWN FROM DISPOSITION

M.R.O. – MINING RIGHTS ONLY
S.R.O. – SURFACE RIGHTS ONLY
M.+S. – MINING AND SURFACE RIGHTS

Description	Order No.	Date	Disposition	File

SCALE: 1 INCH = 40 CHAINS

FEET 0 1000 2000 4000 6000 8000
METRES 0 2000 1000 (1 KM) 2000 (2 KM)

LEGEND

PATENTED LAND	(P)
CROWN LAND SALE	C.S.
LEASES	(L)
LOCATED LAND	Loc.
LICENSE OF OCCUPATION	L.O.
MINING RIGHTS ONLY	M.R.O.
SURFACE RIGHTS ONLY	S.R.O.
ROADS	
IMPROVED ROADS	
KING'S HIGHWAYS	
RAILWAYS	
POWER LINES	
MARSH OR MUSKEG	
MINES	
CANCELLED	C.
PATENTED S.R.O.	

NOTES

400' surface rights reservation along the shores of all lakes and rivers.

The Mining and Surface Rights of the former Mining Claims P-555037, P-555038, P-555039 are withdrawn from staking by ORDER NRM 5/87

PORCUPINE MINING DIVISION
RECEIVED
OCT 21 1987

TOWNSHIP
MARION

M.N.R. ADMINISTRATIVE DISTRICT
CHAPLEAU

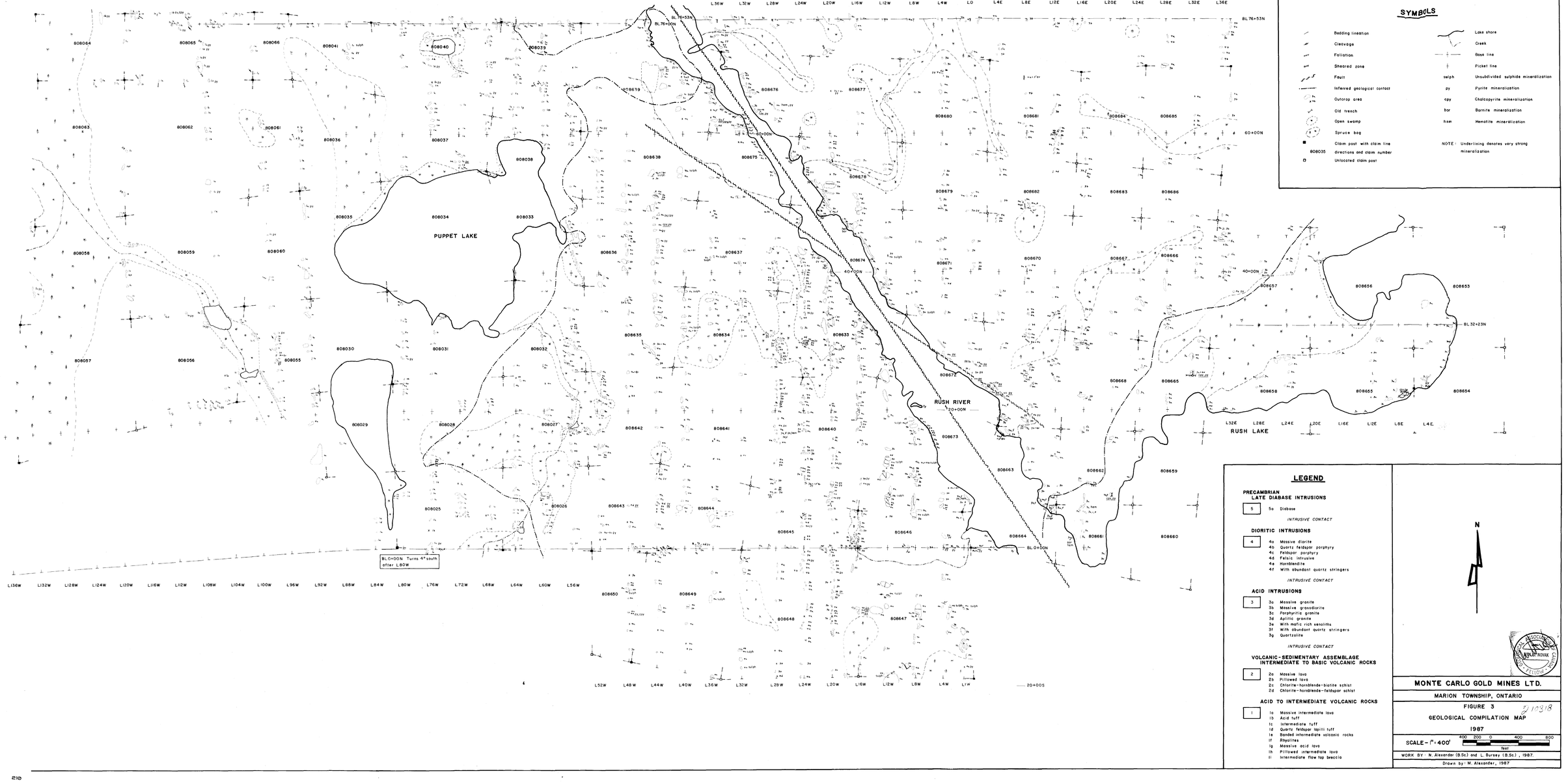
MINING DIVISION
PORCUPINE

LAND TITLES / REGISTRY DIVISION
SUDBURY

Ministry of Natural Resources
Ontario
Ministry of Northern Development and Mines

Date	Number
JULY 1986	G-1174

Checked LP.
Checked L.H. Nov. 17/86



SYMBOLS

- Bedding lineation
- Cleavage
- Foliation
- Sheared zone
- Fault
- Inferred geological contact
- Outcrop area
- Old trench
- Open swamp
- Spruce bog
- Claim post with claim line directions and claim number (e.g. 808035)
- Unlocated claim post
- Lake shore
- Creek
- Base line
- Picket line
- sulph — Unsubdivided sulphide mineralization
- py — Pyrite mineralization
- cpy — Chalcopyrite mineralization
- bor — Bornite mineralization
- hem — Hematite mineralization

NOTE: Underlining denotes very strong mineralization

LEGEND

PRECAMBRIAN

LATE DIABASE INTRUSIONS

5 — 5a Diabase

INTRUSIVE CONTACT

DIORITIC INTRUSIONS

4 — 4a Massive diorite; 4b Quartz feldspar porphyry; 4c Feldspar porphyry; 4d Felsic intrusive; 4e Hornblendite; 4f With abundant quartz stringers

INTRUSIVE CONTACT

ACID INTRUSIONS

3 — 3a Massive granite; 3b Massive granodiorite; 3c Porphyritic granite; 3d Aplitic granite; 3e With mafic rich xenoliths; 3f With abundant quartz stringers; 3g Quartzolite

INTRUSIVE CONTACT

VOLCANIC-SEDIMENTARY ASSEMBLAGE INTERMEDIATE TO BASIC VOLCANIC ROCKS

2 — 2a Massive lava; 2b Pillowed lava; 2c Chlorite-hornblende-biotite schist; 2d Chlorite-hornblende-feldspar schist

ACID TO INTERMEDIATE VOLCANIC ROCKS

1 — 1a Massive intermediate lava; 1b Acid tuff; 1c Intermediate tuff; 1d Quartz feldspar lapilli tuff; 1e Banded intermediate volcanic rocks; 1f Rhyolites; 1g Massive acid lava; 1h Pillowed intermediate lava; 1i Intermediate flow top breccia

N

MONTE CARLO GOLD MINES LTD.

MARION TOWNSHIP, ONTARIO

FIGURE 3 2.17318

GEOLOGICAL COMPILATION MAP

1987

SCALE - 1" = 400' (400 200 0 400 800 feet)

WORK BY: N. Alexander (B.Sc) and L. Bursey (B.Sc.), 1987.

Drawn by: M. Alexander, 1987