MARJEL RESOURCES INC.

Exploration Activities

on the

Beemer Township Claim

Group

September 1, 1985

EduardLudwig
Geologist

LOCATION AND ACCESS

The 5-claim block is located in the mid-eastern part of Beemer Township along the northern shore of Telluride Lake (Fig. 1).

Access to the property is by bush road 5o miles south of Timmins. In the near future the road may be maintained year round by timber companies operating in the area. The Sudbury-Timmins high voltage power line passes about 6 miles east of Telluride Lake.

TOPOGRAPHY

The property is relatively flat woth some hills mostly in the east and central part, which rarely rise above 50 feet.

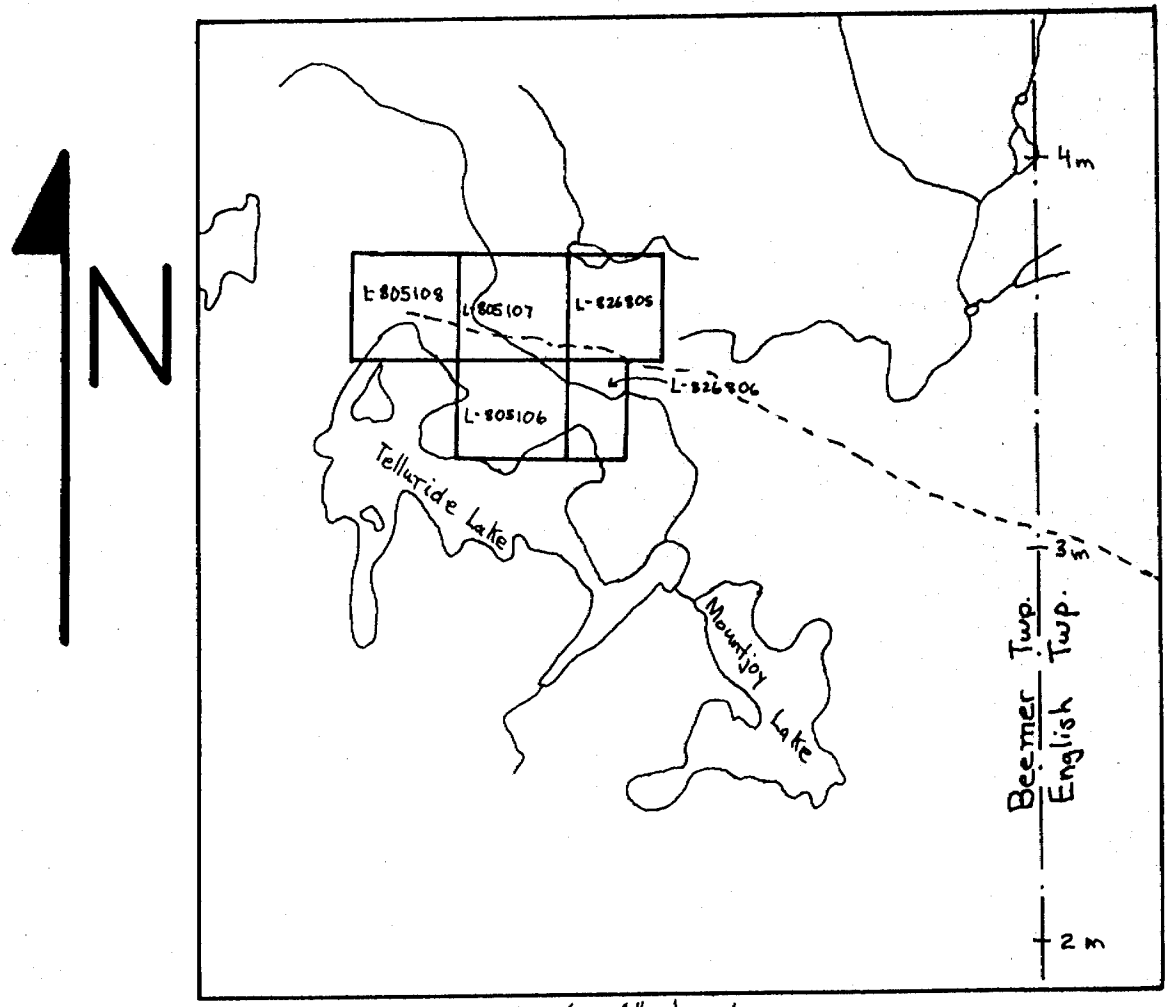
Second growth spruce, jackpine and poplar are locally dense, with cedars and alders in the lower areas.

Overburden is extensive and probably quite variable in depth. The rock exposures, in general, are confined to ridges and knolls in swampy areas. Telluride Lake is an excellent source of water.

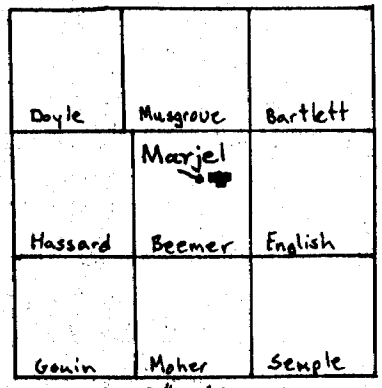
PROPERTY OWNERSHIP, CLAIM LIST ASSESSMENT STATUS

At this date, the following mining claims are held by Marjel Resources Inc., Suite 402- 27 Queen Street east, Toronto, Ontario, M5C 2M6.

Claim List:	Claim No.	In good standing to:
	L-826805-806	September 6, 1985..
	L-805106-108	September 6, 1985



Scale: 1" = ½ mile



Scale: 1" = 10 miles

Marjel Resources Inc.

Location of Beemer Township Property
District of Sudbury
Larder Lake Mining Division
September 1984

Figure 1

HISTORY

The area has received sporadic attention over the years. A tabulated history is as follows:

1925- Gold discovered by J.C. Nelson at three different localities near the north shore of Telluride Lake.

1935- Sylvanite Gold Mines Ltd. optioned the Nelson Prospect and carried out a trenching and sampling program. On the northeast showing (Area i, Fig. 2 - see pocket) a zone of quartz veining 20 feet wide and 150 feet long was exposed where a 25 foot shaft was sunk. Chip samples from two different areas along strike across two quartz veins returned values of 0.44 ounce of gold per ton over 3 feet and 0.37 ounce of gold per ton over 4 feet. The quartz vein zone strikes N 50 E and dips vertically. The showing northeast of Telluride Lake (Area ii, Fig. 2- see pocket) is similar to Area (i), being a zone of quartz veining with associated schists and sulphide mineralization. Grab samples from one of the pits assayed from trace to 1.7 ounces gold per ton. A trench which was filled with water was reported to contain visible gold which was hosted by a quartz vein and cut Keewatin sediments striking east and dipping 70 degrees north.
The northern showing (Area iii, Fig.2-see pocket) is comprised of a zone of quartz stringers which assayed trace amounts of gold. One grab sample assayed 0.16 ounce of gold per ton.

1981- Lynco Explorations Ltd. acquired 10 claims in December 1980 encompassing the 3 Nelson showings. Surveys completed in the 1981 field season included geology, VLF, radiometric and magnetic on grid lines cut at 400-foot centres. The VLF survey outlined many conductive regions which were not followed up by trenching or diamond drilling (Fig. 2 - see pocket). No other work was reported by Lynco and the claims were allowed to lapse in August 1984.

1984- Marjel Resources Inc. staked 5 claims around the Nelson showings and completed a preliminary examination of the ground in September 1984.

REGIONAL GEOLOGY

The property is situated between Timmins and Shiningtree in the west-central part of the Abitibi Metavolcanic-Metasedimentary Belt in the Superior Province of the Canadian Shield. Bedrock units (Table 1) consist mainly of Early Precambrian (Archean) metavolcanics and mafic to felsic plutonic rocks; however, a few Middle to Late Precambrian diabase dykes are present. Most of the bedrock is mantled by thick Pleistocene glacial deposits of silt and sand, or recent alluvium (Bright 1984). Beemer Township and surrounding areas were initially folded into broad easterly plunging anticlines with later north to northeast plunging open cross-folds created by the late emplacement of the Moher Pluton. Faults, trending north-northwest, interpreted by offset, are the Mattagami River Fault extending through Beemer andMoher Townships, and the Grassy River Fault (Burrows-Benedict Fault) extending across southern Zavitz and northern Halliday Townships. Most prominent northeast trending faults are the Parting Lake Fault, located in southern Semple Township, and the Redwing Lake Fault, located in northeastern Hutt Township (Bright 1984).

TABLE 1

Table Of Formations

Phanerozoic
- Cenozoic
  - Quaternary
    - Pleistocene and Recent
      - Sand, Silt, Gravel, Till, Swamps

Precambrian
- Proterozoic
  - Mafic Intrusive Rocks
    - Olivine Diabase, Quartz Diabase

- Early Precambrian
  - Mafic Intrusive Rocks
    - Diabase

Intrusive Contact

- Felsic Intrusive and Metamorphic Rocks
  - Late Granitic Rocks
    - Biotite Granite, Hornblende Granodiorite, Aplite, Lamprophyre, Quartz-Feldspar Porphyry
  - Early Granitic Rocks
    - Quartz Monzonite, Trondjemite, Diorite Gneiss Amphibole Gneiss, Gneissic Granodiorite

Intrusive Contact

- Metamorphosed Mafic and Ultramafic Intrusive Rocks
  - Gabbro, Quartz Gabbro, Diorite, Peridotite

Intrusive Contact

- Metavolcanics and Metasediments
  - Metasediments
    - Conglomerate, with minor Tuffaceous Siltstone and Graphitic slate interbeds
    - Iron Formation: Pyritic Graphitic Slate, Magnetite
  - Intermediate To Felsic Metavolcanics
    - Dacitic to Rhyolitic Massive Flows, Tuff, Lapilli Tuff, Volcanic Breccia, Amygdaloidal and Pillowed Dacitic Flows; Sericite Schist, Chlorite-Sericite Schist
  - Mafic To Intermediate Metavolcanics
    - Massive and Pillowed Basaltic to Andesitic Flows; Variolitic, Amygdaloidal and Porphyritic Flows, minor Tuff and Agglomerate

Table 1. (Bright, 1984)

PROPERTY GEOLOGY

The first showing is located in the northeast corner of the property and has been stripped on surface exposing a zone of quartz veining 20 feet wide and 150 feet long. An old 25-foot shaft was sunk into a large lens of quartz in the centre of the showing. Directly east of the shaft a 1-foot wide schist is sandwiched between two 2.5 foot wide quartz veins. Both veins are mineralized with 5-10% pyrite, minor pyrrhotite and chalcopyrite. Government documents reported that chip samples of these veins returned values of 0.44 ounce of gold per ton across 3 feet and 0.37 ounce of gold per ton over 4 feet. The second showing is near the northeastern corner of Telluride Lake. Here a grab sample from a quartz vein assayed 1.7 ounces of gold per ton.

All showings appear to be associated with silicified schists which usually contain 5-10% disseminated pyrite and pyrrhotite and may possibly be the source of gold.

Precambrian rocks of Archean age are exposed within the property boundaries. Metavolcanics consist mainly of massive to pillowed andesites with minor intercalated rhyolites and dacites. Metavolcanics have been intruded by gabbroic to dioritic dykes, which have been interpreted as having sill proportions. Schistose rocks appear to be intercalated with all rocks proposing the idea that inter-flow sediments may exist.

Only after a detailed geological examination could rock types, structures and alteration be correlated with existing gold mineralization.

MINERALIZATION

Gold mineralization is associated with quartz veining and silicified felsic schists. Quartz veins usually contain cubes of pyrite which occur sporadically throughout and traces of chalcopyrite. Schistose rocks contain 1-3% disseminated pyrrhotite along foliation planes, along with 3% disseminated pyrite. Some quartz veins occurring within the schist conform to the fabric and are as contoured as the schist itself. These quartz veins appear to have been emplaced at about the same time as the formation of the schist.

A total of 5 grab samples were taken from Areas (i) and (ii) (Fig. 2- see pocket), the best of which assayed 0.05 ounce of gold per ton. Both samples of schistose rock assayed gold; quartz vein material returned trace gold. The results are as follows:

1) 0.005 ounce of gold per ton- Area (i) - quartz vein
2) 0.007 ounce of gold per ton - Area (i) - quartz vein
3) 0.04 ounce of gold per ton - Area (i) -schist
4) 0.05 ounce of gold per ton - Area (ii) schist
5) 0.009 ounce of gold per ton - Area (ii) quartz vein

Quartz veining of Area (iii) was not located at the time of the visit to the property.

MAGNETIC SURVEY

Generally, the magnetics trend northeast across the property, with a magnetic relief of approximately 1,400 gammas. A higher magnetic relief is exhibited to the north of the property with one isolated, northeast trending magnetic high, cutting across claim L-805108. In the southeast corner of the property two areas of low magnetic relief were encountered. These appear disjointed or faulted and may be due to rocks of more felsic composition. The magnetic highs may be attributed to either diabase dykes or gabbroic intrusive rocks.

From each value obtained from ground stations, 59,000 gammas were subtracted, reducing the data to a more workable form.

RECOMMENDATIONS AND ESTIMATED COSTS

The Beemer Township property has no record of diamond drilling, although other exploration activities have been carried out. The schists have not been a prime target in previous exploration and should be examined as a possible host for gold mineralization.

This property presents above average exploration potential and may represent extensions of structures and lithologies present on the English Township property.

Phase I

1) Staking of 10 additional claims
2) Linecutting - complete coverage - 15 miles
3) Geological Mapping, Prospecting, Sampling
4) Evaluating known gold showings - chip sampling

Phase I Costs

1) Staking at $100/claim x 10	$ 1,000.00
2) Linecutting, 15 miles at $300/mile	4,500.00
3) Geological Mapping	2,250.00
4) Chip Sampling (Assays and labour)	3,000.00
	10,750.00
+20%	2,150.00
Total Phase I	$12,900.00

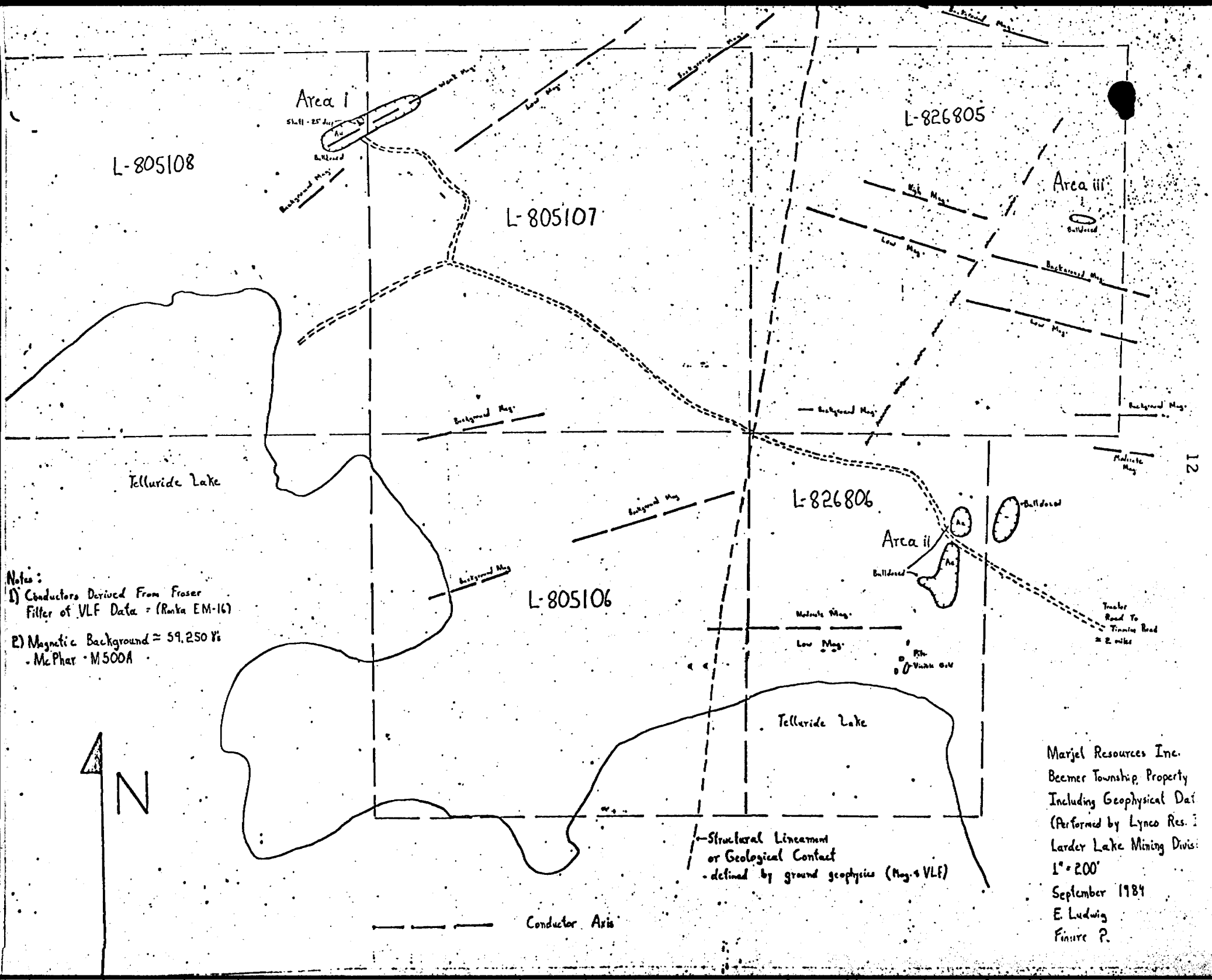
Phase II

The nature and cost of Phase II work will depend on the results of the work recommended for Phase I.

1) Geophysical Work - VLF
2) Geochemical sampling over geophysical anomalies
3) Diamond drilling of favourable showings and all viable geophysical targets

Phase II Costs

1) Ground Geophysics, 15 miles at $300/mile	$ 4,500.00
2) Soil samples, 1000 at $10/sample	10,000.00
3) Diamond Drilling, 5000 feet at $25/foot	125,000.00
	139,500.00
+ 20% office overhead and contingency fund	12,900.00
TOTAL COST OF PHASES I and II	$180,300.00


Area I
L-805108
L-805107
L-826805
Area III
Telluride Lake
L-826806
Area II
L-805106
Telluride Lake
Notes:
1) Conductors Derived From Fraser Filter of VLF Data = (Ronka EM-16)
2) Magnetic Background ≈ 59,250 γs - McPhar - M500A
N
Structural Lineament or Geological Contact - defined by ground geophysics (Mag. & VLF)
Conductor Axis
Marjel Resources Inc.
Beemer Township Property
Including Geophysical Dat
(Performed by Lynco Res.
Larder Lake Mining Divis
1" = 200'
September 1984
E. Ludwig
Figure P.

CERTIFICATE

I Eduard Ludwig hereby certify:

1) My address is at RR #2, Red Deer Lake Road North, Wahnapitae, Ontario, POM 3CO.

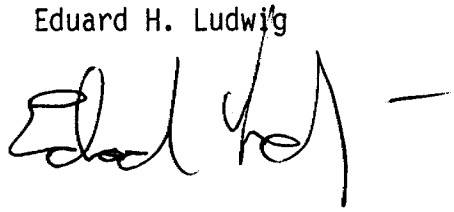
2) That I have been practising my profession since 1977, in various positions as an economic-exploration geologist, and as a consulting geologist since 1984.

3) I have graduated with an honours BSc. in geology from Laurentian University, and with a Technician's Diploma from Sir Sanford Fleming College.

4) That I base this report on fact, and data collected from the property by me; also utillizing data obtained from the Ministry of Natural Resources.

Dated This Day of September 1985
in Sudbury, Ontario

Eduard H. Ludwig



E. Ludwig and Associates

900

Mining Lands Section

File No 2.8616

Control Sheet

TYPE OF SURVEY

✓ GEOPHYSICAL

____ GEOLOGICAL

____ GEOCHEMICAL

____ EXPENDITURE

MINING LANDS COMMENTS:

W.L.B.

L. Hurst

Signature of Assessor

Dec 14/85

Date

Ontario — Geochemical and Expenditures)

(file L805106)

Mining Act 28616

Note: – Only days credits calculated in the "Expenditures" section may be entered in the "Expend. Days Cr." columns.
– Do not use shaded areas below.

#394

Type of Survey(s): Magnetometer Survey

Township or Area: Beemer Twp.

Claim Holder: Marjel Resources Inc.

Prospector's Licence No.: T-1821

Address: RR#2 Red Deer Lake Rd North, Wahnapitae, Ont. P0M3C0

Survey Company: E. Ludwig

Date of Survey (from & to): 25 5 85 (Day Mo. Yr.) 28 5 85 (Day Mo. Yr.)

Total Miles of line Cut: 5.2

Name and Address of Author (of Geo-Technical report): Same as Above

Credits Requested per Each Claim in Columns at right

Special Provisions		Days per Claim
For first survey: Enter 40 days. (This includes line cutting)	Geophysical	
	- Electromagnetic	
	- Magnetometer	40
For each additional survey: using the same grid: Enter 20 days (for each)	- Radiometric	
	- Other	
	Geological	
	Geochemical	

Man Days		Days per Claim
Complete reverse side and enter total(s) here	Geophysical	
	- Electromagnetic	
	- Magnetometer	
	- Radiometric	
	- Other	
	Geological	
	Geochemical	

Airborne Credits		Days per Claim
Note: Special provisions credits do not apply to Airborne Surveys.	Electromagnetic	
	Magnetometer	
	Radiometric	

Mining Claims Traversed (List in numerical sequence)

Mining Claim Prefix	Mining Claim Number	Expend. Days Cr.
L	805106	
	805107	
	805108	
	826805	
	826806	

Mining Claim Prefix	Mining Claim Number	Expend. Days Cr.

LARDER LAKE MINING DIV. RECEIVED SEP 24 1985 AM 7 8 9 10 11 12 1 2 3 4 5 6 PM

RECEIVED NOV 13 1985 MINING LANDS SECTION

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.

Total number of mining claims covered by this report of work: 5

For Office Use Only

Total Days Cr. Recorded: 200

Date Recorded: OCT 15 1985

Date Approved as Recorded: 85.11.21

Mining Recorder:

Date: Sept. 15/85

Recorded Holder or Agent (Signature):

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: Edward Ludwig, RR#2, Red Deer Lake Rd. North, Wahnapitae, Ont. P0M3C0

Date Certified: Sept. 15/85

Certified by (Signature):

T362 (81/9)

Ontario

Ministry of Natural Resources

File _____

GEOPHYSICAL – GEOLOGICAL – GEOCHEMICAL TECHNICAL DATA STATEMENT

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) Magnetic Survey
Township or Area Bremner Township
Claim Holder(s) Marjel Resources Inc.
27 Queen Street East, Toronto, Ont.
Survey Company E. Ludwig & Associates
Author of Report Edward Ludwig
Address of Author RR#2, Red Deer Lake Rd. N., Sudbury, Ont.
Covering Dates of Survey May 25-28, 1985 (linecutting to office)
Total Miles of Line Cut 5.5

SPECIAL PROVISIONS CREDITS REQUESTED

ENTER 40 days (includes line cutting) for first survey.

ENTER 20 days for each additional survey using same grid.

DAYS per claim

Geophysical
–Electromagnetic _____
–Magnetometer 40
–Radiometric _____
–Other _____
Geological _____
Geochemical _____

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

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

DATE: Sept 1, 1985 SIGNATURE: Edward Ludwig
Author of Report or Agent

Res. Geol. _____ Qualifications _____

Previous Surveys

File No.	Type	Date	Claim Holder

MINING CLAIMS TRAVERSED
List numerically

(prefix)	(number)
L-	805106
L	805107
L	805108
L-	826805
L-	826806

If space insufficient, attach list

TOTAL CLAIMS 5

OFFICE USE ONLY

837 (5/79)

GEOPHYSICAL TECHNICAL DATA

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

Number of Stations 232 Number of Readings 232

Station interval 100 feet Line spacing 400'

Profile scale

Contour interval ± 100 γs

MAGNETIC

Instrument Battinger - Magenta Proton Precession Magnetometer

Accuracy – Scale constant ± 1 γ

Diurnal correction method Drift was not noticeable

Base Station check-in interval (hours) ~ 4 hrs

Base Station location and value Post #1 - claim #1 - 805106

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 _____

_____

_____

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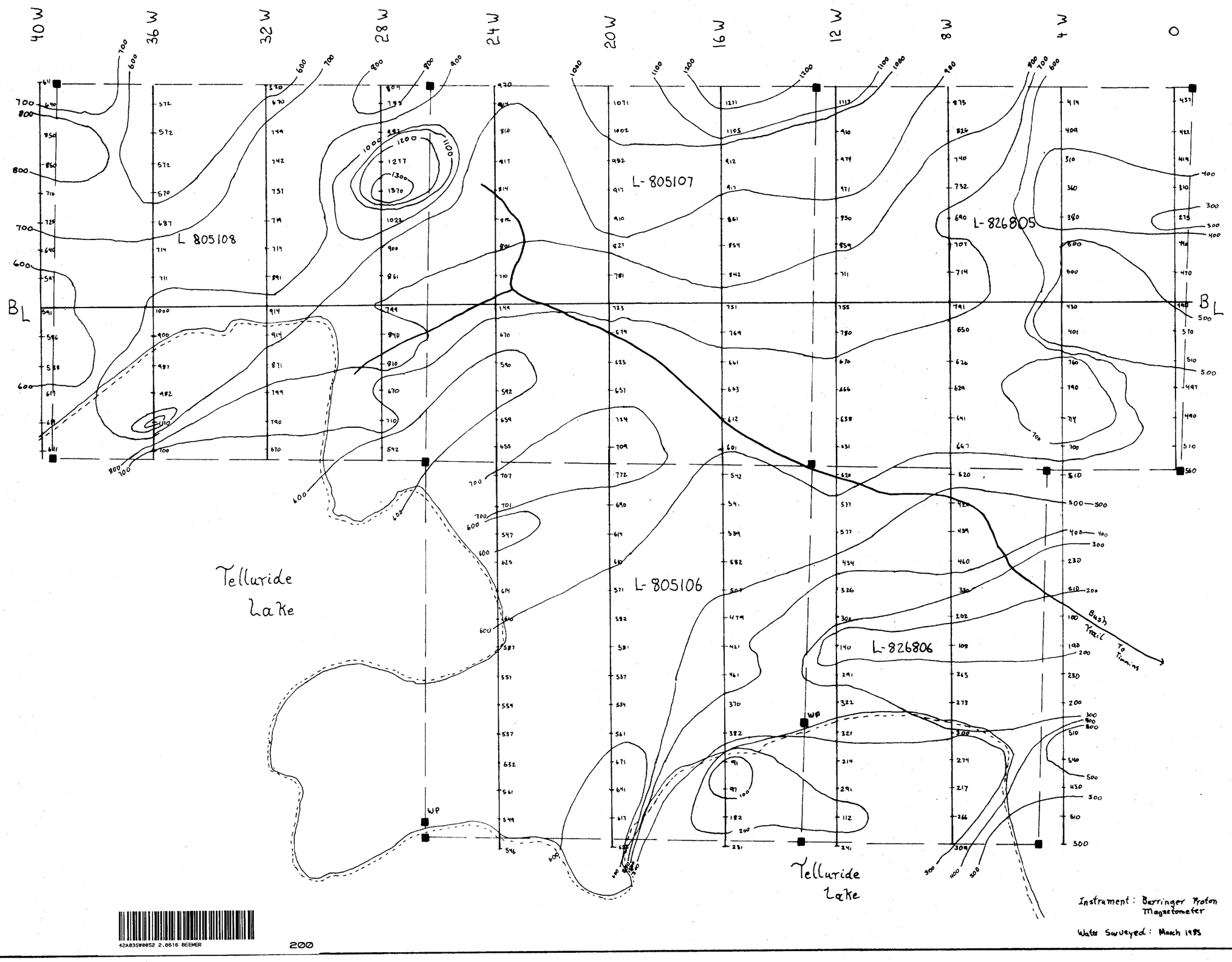

J 8616

Marjel Resources Inc.
Magnetic Survey
Beemer Township
Larder Lake Mining Division
Contour Interval: ± 100 γ's
1" = 200'
E. Ludwig - September 1985

Instrument: Barringer Proton Magnetometer

Water Surveyed: March 1985