83-#246 - # 11232

Report on the

CAYCUSE PROPERTY

HANK CLAIM

RECORD NO. 619

Caycuse River, B.C.

Victoria Mining Division

NTS 92C/16W

48°48' N. Lat. 124°30' W.Long.

for

AJAX RESOURCES LIMITED
Stock Exchange Tower
5th Floor-609 Granville Street
P.O. Box 10326
Vancouver, B.C. V7Y 1G5

by

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April 26, 1983

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ILLUSTRATIONS

INTRODUCTION

At the request of W. Mearns, Director of Ajax Resources Ltd., the writer examined the Caycuse Property on Vancouver Island on April 24, 1982. J.M. McNulty, who staked the claim, and who has sampled and prospected the main showing area intermittently over a 12-year period, accompanied the writer on the examination.

This report describes the known, inadequately explored highgrade copper mineralization, and outlines a staged exploration program to expand the mineralized zone, and to define the best targets for testing by diamond drilling. Including reconnaissance exploration of the balance of the property, and detailed evaluation of other highgrade showings, the 3-stage exploration program totals $250,000.

CONCLUSIONS

1. The Caycuse Property of Ajax Resources Ltd. on Vancouver Island has favourable potential for the development of economic reserves of high grade copper mineralization.

2. Previous sampling of the incompletely exposed CR Zone yielded an average grade in 15 samples over a 275-m length of more than 3% Cu. The true width of the zone, some of which underlies the Caycuse River, has not been established.

3. The CR Zone occurs in a faulted block of Karmutsen volcanics and multiple beds of Quatsino limestone, bounded on the north by Bonanza Group volcanics and on the south by a diorite Island Intrusion of Jurassic age, the probable source of copper values in the area. Massive & disseminated copper mineralization occurs in a large, irregular skarn zone underlying and in the north bank of the Caycuse River.

4. Detailed geological mapping and a magnetometer survey should be completed over the CR Zone to identify the best targets for follow-up diamond drilling. Trial VLF-EM and gravity surveys also should be run.

5. The same surveys, including B-zone soil sampling (Cu, Pb, Zn analyses) should be completed over two other similarly mineralized skarn zones not examined by the writer. One of the zones is on Cougar Creek, and the other occurs further to the east on the south bank of the Caycuse River.

6. Several reconnaissance lines should be run in a north-south direction over the overburden-obscured Bonanza Group volcanic rocks on the remainder of the property to locate either skarn-type or east-west shear zone-type mineralization.

7. Prospecting and silt sampling should be conducted in the Caycuse River and its tributaries, on the balance of the Caycuse Property, and adjacent to the existing claim area.

RECOMMENDATIONS

A 3-stage exploration program totalling $250,000 is recommended for the Caycuse Property of Ajax Resources Ltd., to attempt to establish economic reserves of high grade copper mineralization.

The first stage consists of geological, geophysical and geochemical surveys in 3 areas of known high grade copper values that have not been delineated or diamond drilled to date, plus reconnaissance surveys over the balance of the property.

Stage 1 Allow 1 month

Mobilization/demobilization of exploration crew, and camp setup	$ 5,000
Grid East-west baseline, north-south crosslines, 25-m stations CR Zone - 4.0 km; CC Zone - 2.0 km; CR 2 Zone - 2.0 km; Balance of Caycuse River, including fill-in allowance - 7.0 km; Bonanza Gp reconnaissance, including fill-in allowance - 15.0 km. Total 30 km.	
CR Zone Linecutting, detailed geological mapping, magnetometer and VLF-EM surveys 4.0 km @ $1600 =	6,400
CC Zone, CR 2 Zone, and Caycuse River Linecutting, geological mapping, magnetometer & VLF-EM surveys, soil sampling (Cu, Pb, Zn) 11.0 km @ $1300 =	14,300
Reconnaissance survey Flagged line, soil sampling, magnetometer & VLF-EM surveys, geological mapping 9.0 km @ $900 =	8,100
Allowance for detailed fill-in 6.0 km @ $1300 =	7,800
Gravity survey	4,000
Air photo interpretation	1,500
Assaying, communications, rentals, supplies, fuel	4,900
Consulting, data processing, draughting, report, miscellaneous	6,800
	58,800
Allow	$60,000

The second stage consists of diamond drilling the best targets on the CR Zone. Two setups, with 3 holes fanned from each setup, have been considered, totalling 450 m of BQ core per setup. The inclination of the holes is 50° to 60°. Helicopter moves have been allowed, in preference to less than 1 km of road construction, although the latter option must be given due consideration.

Stage 2	Allow 1 month	
Base cost	900 m BQ core @ $65/m =	$58,500
Mobilization/demobilization, and camp expansion		8,000
Site preparation and helicopter moves (3)		11,000
Core logging and storage facility, assaying, core boxes, mud & cement, casing, site reclamation		6,500
Communications, rentals, supplies, fuel, freight		3,500
Supervision, assistant, data processing, draughting & report, misc.		12,500
		$100,000

The third stage is a reserve for expanded diamond drilling on the CR Zone, and/or testing other promising targets defined by the geophysical and geochemical surveys. Depending on the location of the targets, some of the allotted expenditure also may be substituted by bulldozer and plugger trenching, including detailed mapping and sampling. Demobilization charges have been included in Stage 2. Three setups have been considered, with helicopter moves.

Stage 3	Allow 1 month	
Base cost	900 m @ $65/m =	58,500
Site preparation and helicopter moves (4)		12,000
Assaying, core boxes, mud & cement, casing, site reclamation		5,000
Communications, rentals, supplies, fuel, freight		3,500
Supervision, assistant, data processing, draughting & report, misc.		11,000
		$90,000

Total recommended expenditure on the Caycuse Property	$250,000

LOCATION, ACCESS, DECLINATION, PHYSIOGRAPHY, ROCK EXPOSURE, GLACIATION, SOIL, TIMBER, WATER, PRECIPITATION, ENVIRONMENT

Figure 1 shows the Caycuse Property on Vancouver Island 58 km southwest of Nanaimo, 98 km west northwest of Victoria, and 115 km west southwest of Vancouver.

The geographic location is 48°48' north latitude and 124°30' west longitude.

From the village of Lake Cowichan on paved highway 18 at the east end of Cowichan Lake, the Caycuse Property is reached by 50 km of good gravel logging roads. The dispatcher for B.C. Forest Products Limited at Caycuse should be contacted before using the roads. From Lake Cowichan, Nanaimo is an additional 80 km (130 km total) on highways 18 and 1 (north), and Victoria is about 90 km (140 km total) on the same highways (south).

The magnetic declination is 21.6° east, decreasing at 7.8' per year.

The 300-ha claim is in the Vancouver Island Ranges, part of the Insular Mountain system of the Canadian Cordillera. Figure 2 shows that elevations vary from 110 m in the west-flowing Caycuse River at the west property boundary, to 720 m on the north boundary, a vertical relief of more than 600 m. Wilson Creek, a south-flowing tributary of the Caycuse River, parallels the west claim boundary; and Cougar Creek, also south-flowing, is on the east side of the claim. The topography generally is very steep, although some bench-like slopes occur immediately north of the Caycuse River that may be used conveniently for diamond drilling sites.

Outcrop is abundant in the steep walls of the Caycuse River, while cliff-like exposures occur only intermittently over the remainder of the property. The rock exposure probably averages about 10%.

The Cordilleran ice sheet blanketed the entire area during the Pleistocene Period. East-west glacial striae were observed on outcrops south of the Caycuse River, indicative of valley glaciation, but the dominant direction of ice movement in the area reportedly was southerly. Glacial debris to 10 m deep was observed in some bedrock depressions along the road south of the Caycuse River, but the average depth probably is about 3 m.

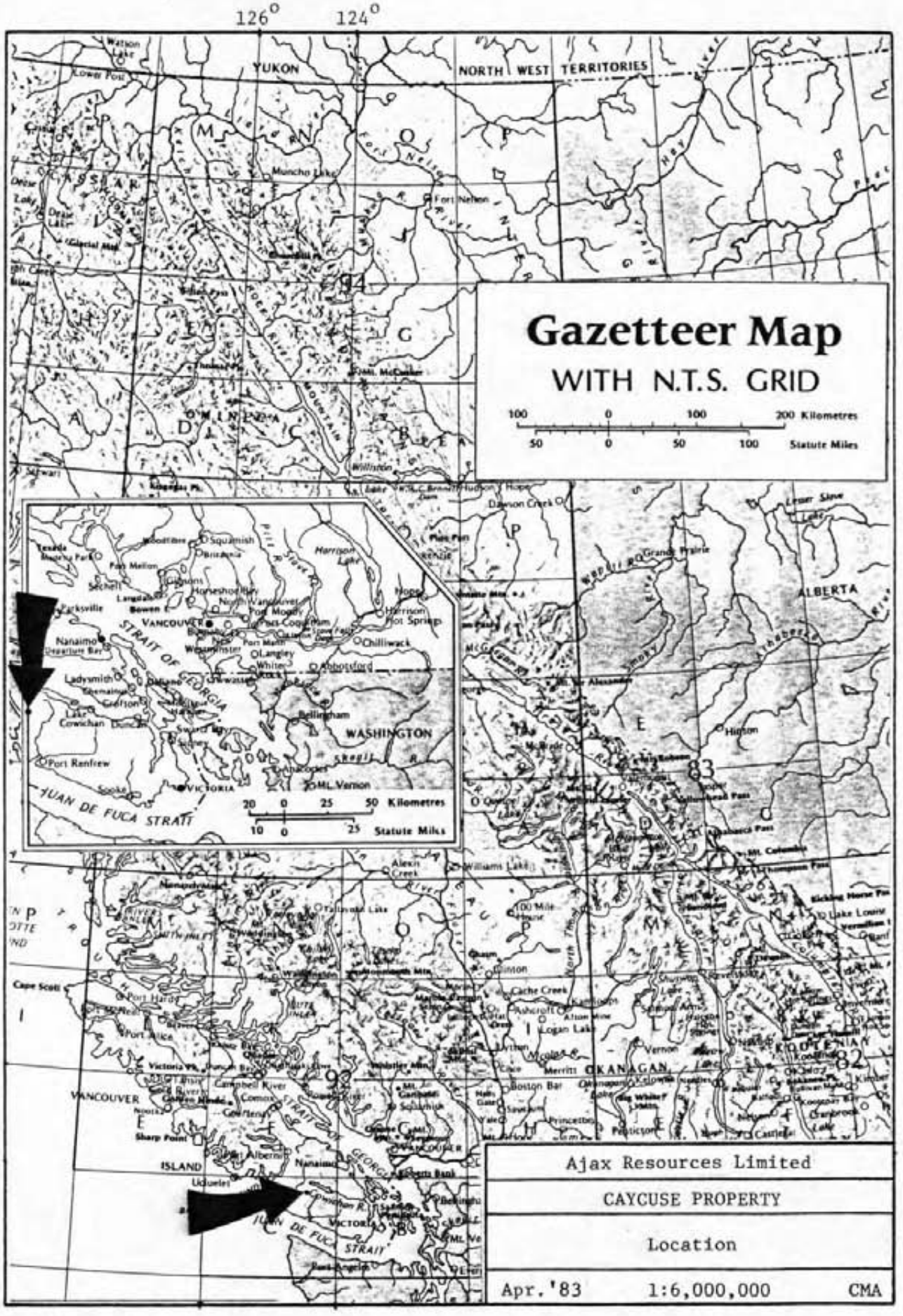
The "B-zone" soil horizon was well developed wherever observed, and the soil is classed as a humo-ferric podzol. Soil sampling should be the most effective exploration technique to employ in the search for overburden-obscured mineralization.

Logging by B.C. Forest Products has been carried out in the immediate area, and the Caycuse Property is covered by a heavy growth of mature hemlock, red cedar, and Douglas fir to 1.5 m in diameter.

Water both for exploration and for processing purposes is abundant in the Caycuse River and its tributaries, Wilson Creek and Cougar Creek. A few other small creeks may have adequate flows for diamond drilling purposes.

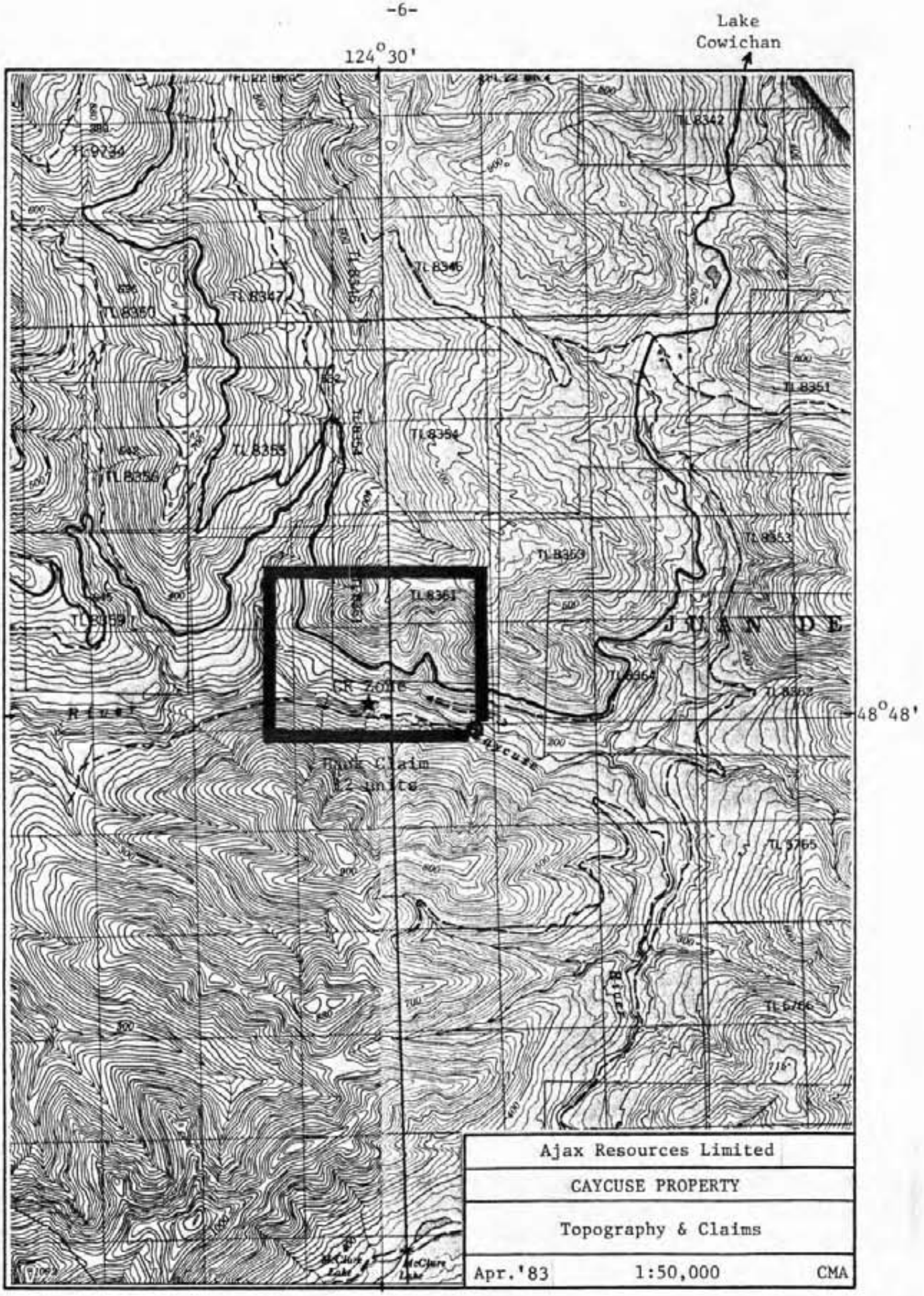
Annual precipitation is approximately 300 cm, less than 10% of which probably occurs as snow in the relatively mild winters.

While the Caycuse River must be preserved from any contamination, the area is resource-oriented, and favourable for the development of mining operations. Suitable sites occur for milling and for land-based tailings disposal. Active logging operations are being conducted in the general area.



From: Atlas of B. C.
Farley, A.L. 1979

Fig. 1



From: NTS 92C/16W Cowichan Lake
1980 92C/15E Little Nitinat River

Fig. 2

HISTORY

Very little publically available data was found pertaining to the Caycuse River copper showings, and the deposit is not listed in the Min File of the Ministry of Energy, Mines and Petroleum Resources. Some private information was obtained. F. and K. Hallberg reportedly discovered massive chalcopyrite mineralization in the Caycuse River in about 1920, but only a small amount of stripping was conducted.

Between 1956 and 1959, the Caycuse Copper Co. Ltd. conducted a modest amount of work on the known copper showings. By sluicing, the company traced and exposed the copper mineralization for a length of 275 m on the north side of the Caycuse River. Intermittent sampling of the incompletely exposed mineralization along the 275-m length yielded the following:

	Sample width* m	% Cu
	2.7	3.3
	0.7	5.9
	0.7	4.9
	0.3	2.6
	1.2	2.4
	0.3	2.2
	1.2	2.2
	0.3	3.55
Average	0.9 m	3.30% Cu

The company reportedly did not receive adequate financing for the exploration program.

In 1965, D.C. Malcolm, P.Eng., prepared a "Progress Report" for Caycuse Mines Ltd. in which he recommended that a road be constructed both to the main Caycuse River showing and to the Cougar Creek showing, so that highgrade copper ore could be shipped.

The Cougar Creek showing, not examined by the writer, was described as follows: "Good grade chalcopyrite occurs in limestone skarns over an area 400 feet (120 m) long and 100 feet (30 m) in width in narrow, folded bands of limestone and tuff."

In 1971, J.M. McNulty took 5 representative samples of copper mineralization from various locations on the Caycuse River showing that ranged from a low of 1.27% Cu to a high of 4.45% Cu, and averaged 3.20% Cu (plus 8.2 g Ag/t). No sample widths were indicated.

* Since the mineralization was incompletely exposed, the company emphasized that the actual true widths were substantially greater, and could be established only by blasting and diamond drilling.

In 1975, K.E. Northcote examined the showings which he described as follows: "There has been massive replacement of limestone, and, to a lesser extent, volcanic rocks, by skarn which contains disseminated sulphides and randomly distributed, irregular bodies of massive sulphides." He reported additional sample results by J.M. McNulty, as follows:

	Width (m)	% Cu	Ag g/t
	1.5	1.38	6.9
	1.2	4.75	6.9
	1.8	4.66	20.6
	1.2	2.77	13.7
	0.9	8.61	37.7
	1.5	1.28	6.9
	1.0	7.33	30.9
Average	1.3 m	4.01 % Cu	16.2 g Ag/t

Because the sulphide mineralization was incompletely exposed in the north wall of the river, and not exposed at all in the floor of the river, the true width of the zone could be very much greater than the sampled widths (1 m of diorite skarn estimated by the writer to contain 1% Cu was observed on the south side of the river about 15 m from mineralization on the north side).

PROPERTY

Figure 2 shows the 12 unit Hank claim, in the Victoria Mining Division, that was recorded in the name of H. Leis at the Vancouver recording office on April 20, 1982. The number of the claim tags is 79866, and recordation number 619.

The writer examined the legal corner post (LCP) of the claim, and the inscribed data, and verified that the boundary was marked suitably for more than 100 m in the north direction, and for more than 1000 m in the west direction. Two intermediate posts, 1 W and 2 W, were examined on the south boundary line, and verified to be staked in accordance with the Mineral Act Regulations.

REGIONAL GEOLOGY

Figure 3 shows the regional geology of the area as interpreted by Muller in 1977.

The Karmutsen Formation (mu$\overline{\text{R}}$K), of middle to upper Triassic age, forms a west northwest trending "core" area centred 8 to 10 km south of Cowichan Lake. It is comprised of up to 6000 m of thoeleiitic volcanic rocks: the lower member is about 2600 m of pillow lava; the middle member is about 800 m of pillow breccia and aquagene tuff; and the upper member is about 2900 m of massive flows, with minor interbedded pillow lava, breccia, and sedimentary layers.

The Quatsino Formation (u$\overline{\text{R}}$Q), of upper Triassic age, overlies the Karmutsen Formation, and consists of 25 to 500 m of massive to thick-bedded limestone. The Karmutsen and Quatsino Formations are part of the Vancouver group.

The Bonanza Group (lJB), of lower Jurassic age, is composed of lava, tuff, and breccia, principally basalt and rhyolite in composition, with subordinate andesite and dacite components. The thickness is believed to exceed 1500 m. Intercalated beds and sequences of marine argillite and greywacke occasionally occur. The Bonanza Group typifies the varied assemblage of an island arc volcanic environment.

The Island Intrusions (Jg), of Jurassic age, occur as batholiths, stocks, and dykes, and intrude all of the previous rock types. The composition generally varies from quartz diorite to granodiorite. Within the Bonanza Group, high-level stocks and dykes of hornblende-quartz-feldspar porphyry appear to be comagmatic with the volcanic assemblage.

Major steep faults with multiple orientations have controlled to a large extent the drainage pattern and topography of the area. Faulting and rifting probably occurred during the outflow of Karmutsen lavas in Late Triassic time, establishing the north-south and east-west fault systems. Northwest-southeast faulting apparently occurred in late Mesozoic to early Tertiary time, and northeast-southwest faulting affected younger Mesozoic and early Tertiary lithologies. Emplacement of the Island Intrusions during the Jurassic resulted in extensive folding and faulting of all earlier rock types.

LOCAL GEOLOGY AND MINERALIZATION

A fault-bounded, east-west trending, folded and sheared wedge of Quatsino limestone and Karmutsen volcanics occurs along the steep wall of the Caycuse River for the length of the property. Muller's map, Figure 3, does not show this assemblage, although similar fault wedges are shown some 10 km to the east. The locations of the contacts of the Vancouver Group with the Bonanza Group are not known, and must be established by geological mapping.

The northern extremity of a composite granodiorite to diorite batholith, one of the Island Intrusions of Jurassic age, outcrops along the south boundary of the claims. Where examined by the writer, the intrusive was a weakly chloritized diorite. The same diorite occurs along the footwall (south side) of a succession of limestone beds in the Caycuse River.

Ajax Resources Limited		
CAYCUSE PROPERTY		
Regional Geology		
Apr. '83	1:250,000	CMA

From: GSC O.F. 463 1977
Muller, J.E.

Fig. 3

TABLE OF FORMATIONS OF VANCOUVER ISLAND

SEQUENTIAL LAYERED ROCKS

	PERIOD		STAGE	GROUP	FORMATION	SYMBOL	AVERAGE THICKNESS IN m. ±	LITHOLOGY
CENOZOIC					late Tert. volc's of Port McNeill	Tvs		
					SOOKE BAY	mpTSB		conglomerate, sandstone, shale
			EOCENE to		CARMANAH	eoTC	1,200	sandstone, siltstone, coglomerate
			OLIGOCENE		ESCALANTE	eTE	300	conglomerate, sandstone
			early EOCENE		METCHOSIN	eTM	3,000	basaltic lava, pillow lava, breccia, tuff
MESOZOIC		LATE	MAESTRICHTIAN		GABRIOLA	uKGA	350	sandstone, conglomerate
					SPRAY	uKS	200	shale, siltstone
			CAMPANIAN	NANAIMO	GEOFFREY	uKG	150	conglomerate, sandstone
					NORTHUMBERLAND	uKN	250	siltstone, shale, sandstone
					DE COURCY	uKDC	350	conglomerate, sandstone
					CEDAR DISTRICT	uKCD	300	shale, siltstone, sandstone
					EXTENSION - PROTECTION	uKEP	300	conglomerate, sandstone, shale, coal
					HASLAM	uKH	200	shale, siltstone, sandstone
			SANTONIAN		COMOX	uKC	350	sandstone, conglomerate, shale, coal
		EARLY	CENOMANIAN ALBIAN	QUEEN	conglomerate unit	lKoc	900	conglomerate, greywacke
			APTIAN ?	CHARLOTTE	siltstone shale unit	lKop	50	siltstone, shale
			VALANGINIAN BARREMIAN		LONGARM	lKL	250	greywacke, conglomerate, siltstone
	JURASSIC	MID LATE	TITHONIAN CALLOVIAN		Upper Jurassic sediment unit	uJs	500	siltstone, argillite, conglomerate
		EARLY	TOARCIAN?	BONANZA	volcanics	lJB	1,500	basaltic to rhyolitic lava, tuff, breccia, minor argillite, greywacke
			PLIENSBACHIAN SINEMURIAN		HARBLEDOWN	lJH		argillite, greywacke, tuff
	TRIASSIC		NORIAN		PARSON BAY	uTrPB	450	calcareous siltstone, greywacke, silty - limestone, minor conglomerate, breccia
		LATE	KARNIAN	VANCOUVER	QUATSINO	uTrQ	400	limestone
					KARMUTSEN	muTrK	4,500	basaltic lava, pillow lava, breccia, tuff
		MID	LADINIAN		sediment - sill unit	TrLds	750	metasiltstone, diabase, limestone
PALEOZOIC	PENN. and ? PERM.				BUTTLE LAKE	CPBL	300	limestone, chert
				SICKER	sediments	CPSs	600	metagreywacke, argillite, schist, marble
				-	volcanics	CPSv	2,000	basaltic to rhyolitic metavolcanic flows, tuff, agglomerate
	DEV. or EARLIER							

CRYSTALLINE ROCKS, COMPLEXES OF POORLY DEFINED AGE

NAME	SYMBOL	ISOTOPIC AGE Pb/U	ISOTOPIC AGE K/Ar	LITHOLOGY
SOOKE INTRUSIONS - silicic	Tg		32-59	quartzdiorite, trondhjemite, agmatite, porphyry
SOOKE INTRUSIONS - basic	Tgb		31-49	gabbro, anorthosite, agmatite
METCHOSIN SCHIST, GNEISS	TMn		47	chlorite schist, gneissic amphibolite
LEECH RIVER FM.	JKL		38-41	phyllite, mica schist, greywacke, argillite, chert
PACIFIC RIM COMPLEX	JKP			greywacke, argillite, chert, basic volcanics, limestone
ISLAND INTRUSIONS	Jg		141-181	granodiorite, quartzdiorite, granite, quartz monzonite
WESTCOAST COMPLEX silicic	PMns	264	163-192	quartz-feldspar gneiss, metaquartzite, marble
WESTCOAST COMPLEX basic	PMnb			hornblende-plagioclase gneiss, quartz diorite, agmatite, amphibolite
diabase sills	PTrb			
limestone	Ls			
metavolcanic rocks	PMmv			metavolcanic rocks, minor metasediments; limestone, marble
TYEE INTRUSIONS	Pg	>390		metagranodiorite, metaquartzdiorite, metaquartz porphyry
COLQUITZ GNEISS	Pns	>390		quartz feldspar gneiss
WARK DIORITE GNEISS	Pnb		163-182	hornblende-plagioclase gneiss, quartz diorite, amphibolite

At least four limestone beds, 1.5 to 2 m thick, separated by the same thickness of sheared, chloritic volcanic material were identified on the south side of the Caycuse River. The strike of the 12-m thick zone was east-west, parallel to the river, and dip 70° to 75° north. 1 m of "skarnified" diorite in the footwall limestone bed contained between 0.5% and 1% of disseminated copper, by estimate, in chalcopyrite.

The large volume of spring meltwater in the river made it impossible both to estimate the thickness of the limestone beds on the north side of the river, and to trace the heavily mineralized skarn zone throughout the 275-m length defined by earlier work.

Northcote described the highgrade copper skarn zone along the Caycuse River (the CR Zone) as follows: "There has been massive replacement of limestone, and to a lesser extent volcanic rocks, by skarn which contains disseminated sulphides and randomly distributed, irregular bodies of massive sulphides." Chalcopyrite and pyrite are the principal sulphide minerals in a gangue of garnet, epidote, ilvaite, actinolite, quartz, and remnant marble. Magnetite is present in small amounts throughout; and, although there is no significant aeromagnetic anomaly over the zone, a detailed ground magnetometer survey should define the skarn zone effectively.

Recognizing that the thickness of the sulphide mineralization in the CR Zone is only partially exposed, it is reasonable to attempt to define ore reserves grading in excess of 3% Cu. Caycuse Copper obtained an average grade of 3.3% Cu over a width of 0.9 m (8 samples), and J. McNulty obtained 3.2% Cu over an unspecified width (5 samples), and 4.0% Cu over 1.3 m (7 samples).

The CR Zone should be detailed with a 25-m grid throughout its strike length, geologically mapped scale at 1:500 or 1:1250, and surveyed in detail with a proton magnetometer. In spite of the steep topography, a detailed VLF-EM survey should be run employing 12.5-m readings and the Cutler (Maine) or Lualualei (Hawaii) transmitter. A gravity survey also might help to identify the massive sulphide mineralization. The strongest mineralized areas should be tested by diamond drilling from a "bench" on the north side of the river some 60 m, plus, above the surface showings. As results dictate, several holes may be drilled from each setup.

A second mineralized skarn zone on Cougar Creek (the CC Zone), not examined by the writer, should be evaluated similarly to the CR Zone. A third zone described by Malcolm as "extensive skarn deposits with magnetite, sphalerite, and chalcopyrite have been found on the horizon", also should be evaluated.

Bonanza Group volcanics on the steep slope north of the Caycuse River should be investigated by north-south reconnaissance lines at about 300-m intervals. B-zone soil samples should be taken at 25-m intervals, with analyses for Cu, Pb & Zn, and the lines should be surveyed with a magnetometer. VLF-EM surveying also should be undertaken, if the technique proves to be useful over the known mineralized zones.

BIBLIOGRAPHY

Reports

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MacDonald, O.G	"Report to Shareholders - Caycuse Copper Co. Ltd.", Apr. 1959.
Malcolm, D.C.	"Progress Report, Caycuse Mines Ltd.", 1965.
	"Avallin Mines Limited, Geological Report", A.R. 642, Mar.26, 1965.
	"Geological-Geochemical Report on the Tana Group", Quintana Minerals Corporation, A.R. 2163, Oct. 1969.
Muller, J.E. & Carson, D.J.T.	"Geology and Mineral Deposits of Alberni Map-Area, B.C.", GSC, Paper 68-50, 1969.
Muller, J.E.	"Geology of Vancouver Island, East Half", GSC, O.F. 463, 1977.
Northcote, K.E.	"Kelly Claim, Caycuse Creek", 1975.

Maps

Aeromagnetic	1:50,000	Cowichan Lake	92C/16W	1979
		Nitinat	92C/15E	1979
Air Photos	1:20,000	BC 80082 209-213, 233-237		
Claim	1:50,000		92C/15E & 16W	1982
Geology	1:250,000	Vancouver Island, East Half	O.F. 463	1977
Topography	1:50,000	Cowichan Lake	92C/16	1980
		Little Nitinat River	92C/15	1980
	1:250,000	Cape Flattery	92C	1964

CERTIFICATION

I, CHRISTOPHER MACKENDRICK ARMSTRONG of the City of Vancouver, Province of British Columbia, do hereby certify:

THAT I am a practicing Geological Engineer residing at 4085 West 29th Avenue, Vancouver, British Columbia, V6S 1V4, Canada.

THAT I am a registered Professional Engineer in good standing in the Provinces of British Columbia and Ontario.

THAT I received the degree of B.Sc. in Geological Engineering from Queen's University, Kingston, Ontario in 1960, and practiced my profession continuously in the period between leaving university in 1959 and returning to university in 1966.

THAT I enrolled in the Department of Mineral Engineering at the University of British Columbia in 1966, and in the period to 1969 completed course work and research work requirements in an M.A.Sc. program, specializing in bacterial-acid leaching systems; thesis writing was not completed; post graduate courses in economic geology and North American geology also were taken and completed.

THAT since leaving university in 1969, I have practiced my profession both as a Geological Engineer and as a Specialist-Advisor in ambient temperature-pressure leaching systems.

THAT the following is a true record of my employment and experience:

1957	4 mos. Junior Geologist. Noranda Mines Ltd. Noranda, Quebec.
1958	4 mos. Party Chief. Hollinger North Shore Exploration Co. Ltd. New Quebec and Labrador.
1959-1961	2 yrs. Assistant Geologist. Pickle Crow Gold Mines Ltd. Pickle Crow, Ontario. Teck Corporation Ltd.
1961-1962	1 yr. Assistant Geologist. Willroy Mines Ltd. Manitouwadge, Ontario.
1962-1964	2 yrs. Chief Geologist. Metal Mines Ltd. Werner Lake, Ontario. Consolidated Canadian Faraday.
1964-1966	2 yrs. Chief Geologist. Tegren Goldfields Ltd. Kirkland Lake, Ontario. Teck Corporation Ltd.
1967	½ yr. Project Geologist. McLeese Lake property, B.C. Geophysical Engineering & Surveys Ltd. Teck Corporation Ltd.
1969-1970	1 yr. Laboratory Manager, Chief Geologist, and Consulting Engineer. S. M. Industries Ltd. Vancouver, B.C.
1970-1983	14 yrs. Independent Consulting Engineer. Canada, U.S.A., and Mexico.

THAT I do not have, nor have I ever had, any interest, direct, indirect or contingent, in the shares of AJAX RESOURCES LTD. or the Caycuse Property, or in any other property within a radius of 10 km of the Caycuse Property, and that I am not an insider of any company having an interest in the Caycuse Property or any other property within a radius of 10 km of the Caycuse Property.

THAT This report is based on the writer's examination of the Caycuse Property in the field on April 24, 1982, and on evaluation of privately and publically held data pertaining to the property. No other field work was conducted on the property during 1982/83, and the writer is unaware of any changes which have occurred since the writer's examination which would affect the conclusions or recommendations contained in this report.

Dated at Vancouver this
26th Day of April, 1983

C. M. Armstrong, P.Eng.
Consulting Engineer

TIME-COST DISTRIBUTION

The property evaluation was completed by C.M. Armstrong, P.Eng. and J.M. McNulty for Strato Geological Engineering Ltd. on behalf of Ajax Resources Limited. Work was completed during the period April 23 to April 28, 1982 inclusive and May 4, 1983.

Distribution of Costs

C.M. Armstrong, P. Eng. 5 days @ $325			$ 1,625.00
J.M. McNulty 2 days @ $175			350.00
Transportation			
Vehicular	515 Km @ $0.25	$ 128.75	
Ferries		32.00	
			160.75
Food, maps,typing, miscellaneous.			65.99
Copying			68.28
Telephone			16.80
Total to April 30, 1982			$ 2,286.52
C.M. Armstrong, update of Report on the Caycuse Property, April 26, May 4,5 / 1983 3 hrs @ $60.00			$ 180.00
Vehicular and parking			5.50
Copies, claim maps, Form G.			23.00
Total to May 5, 1983			$ 208.50
Total			$ 2,495.02

Signed _____

Strato Geological Engineering Ltd.
for Ajax Resources Limited.