

PR 88 - 012

ST-MICHEL

GÉOCONSEIL z

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**Additional Information for the Underground
Exploration Program at the Goldboro Property**

Onitap Resources Inc. and Exploration Orex Inc.

Presented to the Nova Scotia Department of Mines and Energy

July 8, 1988

By: Jean Gagnon, M.Sc., Martin Dubé, P.Eng.
and André St-Michel, P.Eng.

DUPLICATE AVAILABLE

The following persons have contributed to the present study:

Dubé, Martin, P. Mining Engineer

Gagnon, Jean, Biologist, M.Sc.

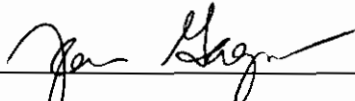
Gosselin, Danielle, Typist

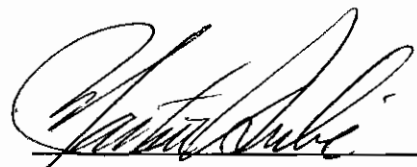
Lampron, Sylvie, Jr. Mining Engineer

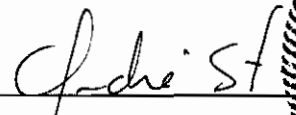
Duchesne, Jean-Paul, Drawing Technician

St-Michel, André, P. Eng.

Persons in charge of the study:


Jean Gagnon, M.Sc., Biologist


Martin Dubé, P. Eng.


André St-Michel, P. Eng.

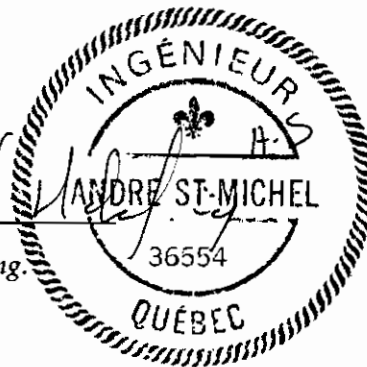


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Certificate of Qualification

I the undersigned, Martin Dubé, certify that:

I live at R.R. #1, Country Harbour, Guysborough County, Nova Scotia, B0H 1J0.

I am a mining engineer. I obtained a degree from Laval University, Quebec, in 1985. I am presently completing a Master's degree in Project Management at the Université du Québec in Abitibi-Témiscamingue.

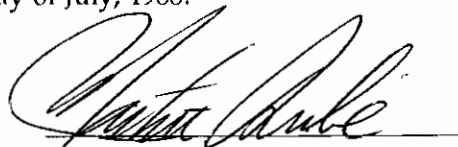
I am a member of the Ordre des Ingénieurs du Québec, the Canadian Institute of Mining and the American Institute of Mining Engineers . I have been working as a consulting mining engineer since February 1987. My place of business is situated at 209, 9th Street, Rouyn-Noranda, province of Quebec.

From 1985 to 1987, I was employed by Noranda Mines Inc., Matagami Division, Norita Mine, as project engineer and underground foreman.

The following report is based on the public documents brought to my attention and on my experience in mining exploration, development and production. I visited the Goldboro site.

I have attached to this report all the different elements which I believe might influence the conclusion and recommendations put forth in this report.

Signed in Rouyn-Noranda, the eighth day of July, 1988.



Martin Dubé, P.Eng.

Certificate of Qualification

I the undersigned, André St-Michel, certify that:

I live at 165 George Ave., Rouyn-Noranda, Québec, J9X 1B3.

I am a geological engineer. I obtained a degree from Laval University, Québec, class of 1980. I am presently completing a Master's degree in Project Management at the Université du Québec in Abitibi-Temiscamingue.

I am a member of the Ordre des Ingénieurs du Québec, of the Canadian Institute of Mining and Metallurgy and of the Québec Prospectors Association.

I have been working as a consulting engineer in geology and mining since July 1986. My place of business is situated at 209 9th St., Rouyn-Noranda, province of Québec.

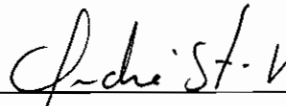
In 1980, I was employed as an engineer for Eldorado Nuclear Ltd. in the Labrador Trough area. From 1981 to 1986, I was involved in all stages of development of Yvan Vézina Mine (Dest-or). The first two years, I worked as a mining geologist and an exploration geologist, and for the other three, I was chief geologist of the mine, in charge of exploration, development and production on the Dest-or property.

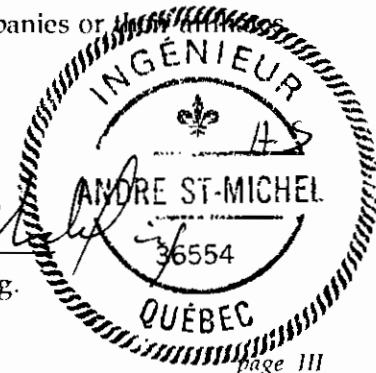
The following report is based on the public documents brought to my attention and on my experience in mining exploration, development and production. I visited the Goldboro site.

I have attached to this report all the different elements which I believe might influence the conclusions and recommendations put forth in this report.

I have neither directly nor indirectly received nor do I hope to receive any interest in Onitap Resources Inc., Exploration Orex Inc. nor their affiliates, and I have not and will not acquire any stock in the companies either directly or indirectly, from the companies or

Signed in Rouyn-Noranda, the eighth day of July, 1988.


André St-Michel, P. Eng.



Certificate of Qualification

I the undersigned, Jean Gagnon, certify that:

I live at 525 Cardinal Bégin Street East, Rouyn-Noranda, Québec, J9X 5P7.

I am a biologist. I obtained a M.Sc., degree from Queen's University, Kingston, Ontario in 1987, and obtained a B.Sc. degree from Sherbrooke University, Sherbrooke, Québec in 1981.

I have been working as a consulting biologist since July 1987. My working place is situated at 209, 9th St., Rouyn-Noranda, province of Québec.

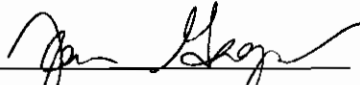
In 1985, I was employed as a plant ecologist for the Ontario Ministry of Natural Resources. In 1984, I worked as a plant ecologist for the Ontario Geological Survey and as a consultant in environment for Ducks Unlimited Canada. In 1982 I was employed as a consultant in environment for Exploration Aiguebelle Inc. and as a project manager for the Canadian Wildlife Service.

The following report is based on the public documents brought to my attention. I visited the Goldboro site.

I have attached to this report all the different elements which I believe might influence the conclusions and recommendations put forth in this report.

I have neither directly nor indirectly received nor do I hope to receive any interest in Onitap Resources Inc., Exploration Orex Inc., nor their affiliates, and I have not and will not acquire any stock in the companies either directly or indirectly, from the companies or their affiliates.

Signed in Rouyn-Noranda, the eighth day of July, 1988.


Jean Gagnon, M.Sc., Biologist

Introduction

The present study gives an updated description of the underground exploration program and related surface development planned by the promoters Onitap Resources Inc. and Exploration Orex Inc. at the Goldboro property in Guysborough County, Nova Scotia. This study is an addendum to the study prepared by St-Michel Géoconseil Inc. and submitted to the Department of Mines and Energy, on behalf of the promoters, June 2, 1988.

1. Ownership of the Goldboro Property

As specified in an option convention dated January 25, 1988 among Exploration Orex Inc., Onitap Resources Inc. and Narex Ore Search Consultants Inc., Exploration Orex Inc. holds the option to acquire an undivided interest of 50% in the Goldboro property.

;

Exploration Orex Inc. can earn a first block of undivided interest in the property by committing exploration expenditures on the property for a sum of at least \$6,000,000 before June 30, 1989.

Afterwards, Exploration Orex Inc. will be able to acquire a second block of 25% of undivided interest in the Goldboro property by presenting to Onitap Resources Inc. before December 31, 1990, a feasibility study whose conclusions would allow to the parties the obtaining from a Canadian chartered bank the necessary funding to begin the production. The time limit to present such a feasibility study will be extended to June 30, 1991 if Exploration Orex Inc. has spent at least \$10,000,000 in exploration works on the property between March 1, 1988 and December 31, 1990. However, if Exploration Orex Inc. has spent a sum of at least \$12,000,000 on the property, by December 31, 1990, it will have then acquired an additional interest of 25% in the property. In such a case, Exploration Orex Inc. will finance the exploration expenditures on the property until it presents the feasibility study, and 50% of the expenditures then committed in surplus to the \$12,000,000 amount will be reimbursed from the net benefits of bringing the property into production.

When Exploration Orex Inc. will have acquired an interest of 25% in the property, a joint venture will then be established between Exploration Orex Inc. and Onitap Resources Inc.

If the interest of a party to the joint venture in the property is diluted to 25% or less, this party will have the option to convert such an interest into shares of the other party as to 0,50% of the shares in circulation of the other party after the conversion for each 1% of interest. This right of conversion is subject to the obtaining of required approbations by competent commissions of transferable securities.

The property is weighed down with a fee of 6% of the net benefits in favor of previous owners of the property, would it be brought into production.

The agreement is conditional to the obtaining of approvals from the competent regulation authorities before June 30, 1988 (taken from Exploration Orex Inc., 1988).

;

2. Underground Exploration Program

A schedule of realization for the underground exploration program at the Goldboro property is presented in Table 1. It consists of two parts: decline development and shaft deepening.

;

2.1. Decline Development

The first part of the program consists in driving a decline at a -15° angle, in the North sector. The location of the portal is shown on the surface plan in Appendix 1, and a plan of the decline portal is included in Appendix 2. The decline will give access to the 125' and 250' levels. These levels will be used for underground diamond drilling and mapping of mineralized belts.

The 125' level will be developed over a total length of 300 feet along the New Belt. The 250' level will be developed over a distance of 1,400 feet and will give access to the New Belt and the Third Belt.

A bulk sample of approximately 20,000 s.t. will be extracted in 1989 between the 125' and 250' levels, in the New Belt and the Third Belt.

2.2. Shaft Deepening

The second part of the program includes the dewatering and the rehabilitation of the existing Boston-Richardson shaft and the setting-up of surface installations (headframe, hoist and base, hoistroom chamber and collar house). This will permit the sampling and the mapping of the existing workings and the deepening of the shaft to a depth of 900' by February 1989.

Table 1: GOLBORO PROJECT : SCHEDULE OF REALIZATION

	1988	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	1989	JANUARY	FEBRUARY
SITE PREPARATION Access road Wood cutting Settling pond		—	—	—								
SURFACE INFRASTRUCTURES Camp and offices		—	—	—								
SERVICES INSTALLATION Power Line Sewage disposal systems Drinkable water Telephone line		—	—	—	—	—	—	—	—	—	—	—
RAMP DEVELOPMENT Ramp portal Ramp development (0-250)				—	—	—	—	—	—	—	—	—
LEVEL DEVELOPMENT (Levels 125 & 250)						—	—	—	—	—	—	—
EXPLORATION DRILLING (Level 125)								—	—	—	—	—
SHAFT REHABILITATION Dewatering and rehabilitation								—	—	—	—	—
HEADFRAME CONSTRUCTION Shaft and hoist installation				—	—	—	—	—	—	—	—	—
SHAFT SINKING								—	—	—	—	—

The design of the shaft collar and the plan of the headframe are presented in Appendices 3 and 4.

Level stations will be set-up at 530', 660' and 800'. A plan of a typical level station is presented in Appendix 5. An ore pass, a waste pass and a loading station will be set-up as well.

A drift at the 800' level will be developed eventually in the northern sector, hence allowing in depth exploration work for the definition of the four mineralized belts between the 250' and 800' levels.

The underground exploration program will be completed by the end of February 1989. A feasibility study and an environmental impact assessment study for the exploitation of the mine will then be prepared.

Literature cited

ST-MICHEL GÉOCONSEIL INC. 1988. **Underground Exploration Program at the Goldboro Property.** Presented to the Nova Scotia Department of Mines and Energy, June 2, 1988. 24 Pages + 4 Appendicés.

EXPLORATION OREX INC. 1988. **Provisory Brochure, April 11, 1988.** 47 Pages (In French).

Appendix 1

Plan of Surface Installations at the Goldboro Property

Appendix 2

Plan of the Decline Portal

Appendix 3

Design of the Shaft Collar

Appendix 4

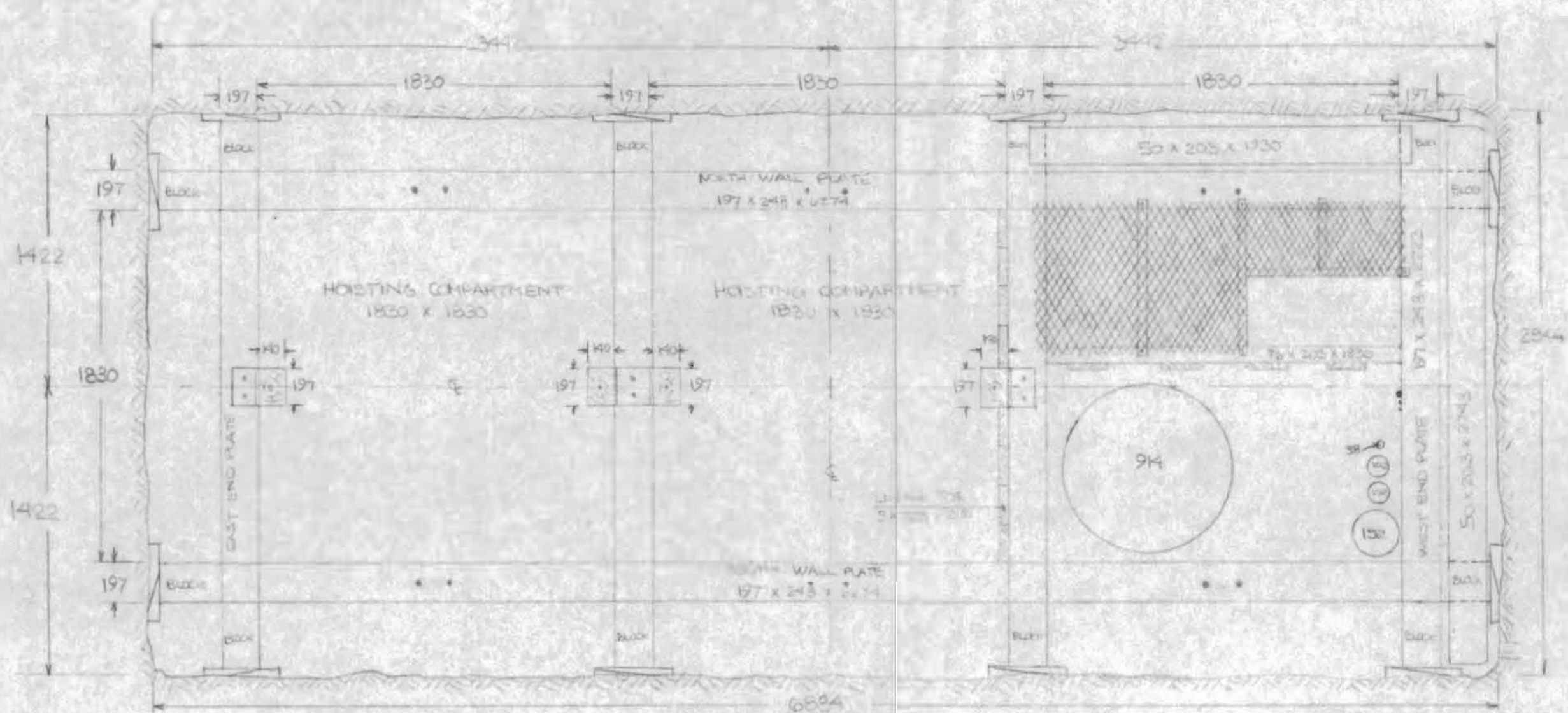
Plan of the Headframe

Appendix 5

Plan of a Level Station

Appendix 6

Plan of the Settling Pond



NOTE: ALL DIMENSIONS GIVEN IN MILLIMETERS (mm)

EXPLORATION OREX INC. ONITAP RESOURCES INC.	
SHAFT TIMBERING - PLAN	
DRAWN BY: SL	SCALE: 1:25
VERIFIED BY: HD	DATE: JUNE 8,
APPROVED BY:	NO: PB-10



EL 4961.9m

EL 4971m

Ae: 310' 00''

Ae: 225' 00''

EL 4992 m

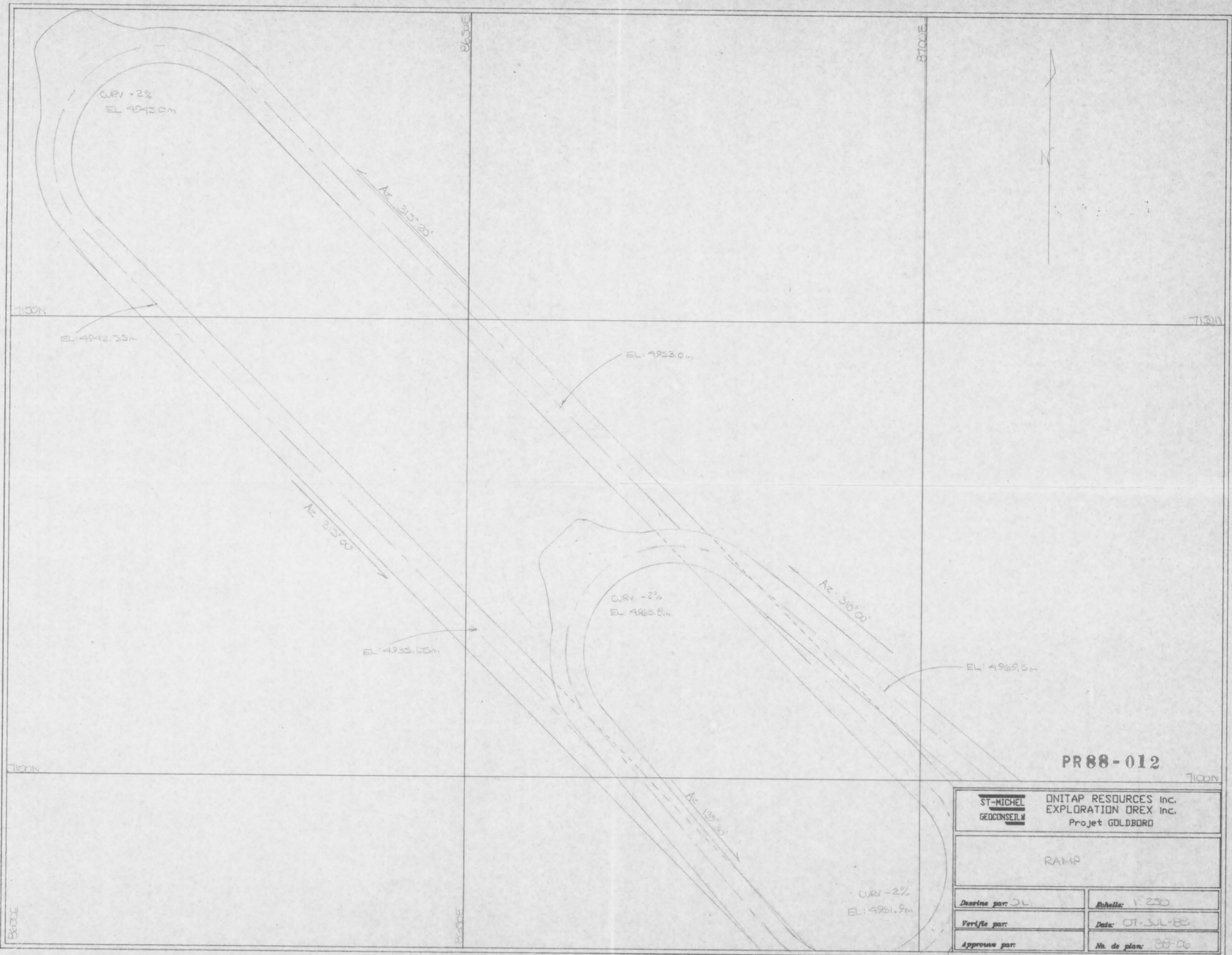
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GEOCONSEIL

ONITAP RESOURCES Inc.
EXPLORATION OREX Inc.
Projet GOLDBORD

RAMP

Dessiné par: JL	Echelle: 1/250
Vérifié par: MD	Date: 07-JUL-88
Approuvé par:	No. de plan: 28-00



PR88-012

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ONITAP RESOURCES Inc.
EXPLORATION OREX Inc.
Projet GOLDBORD

RAMP

Dessiné par: JL	Echelle: 1:250
Vérifié par:	Date: 07-JUL-88
Approuvé par:	N ^o de plan: 88-06

8600E

8700E

7100N

7100N

CURV -2%
EL 4943.0m

EL 4942.55m

EL 4953.0m

EL 4935.05m

CURV -2%
EL 4965.8m

EL 4969.5m

CURV -2%
EL 4961.9m

Az 313°20'

Az 313°00'

Az 310°00'

Az 130°20'



7000E

7000E

7000E

7000E

8600E

8600E

8600E

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GEOCONSEIL

ONITAP RESOURCES Inc.
EXPLORATION OREX Inc.
Projet GOLDBORD

RAMP

Designé par: JL	Echelle: 1:250
Vérifié par: HD	Date: 07-JUL-88
Approuvé par:	No. de plan: 88-08