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MAPS (in envelope at back)	
#1 1. Map showing location of Packsack and Gunnysack groups with respect to the big bend of the Ecstall River.	
#2 2. Map No. E-4460 showing results of the geophysical survey.	

INTRODUCTION

In September, 1957 a shear zone 110 feet wide, containing several wide bands of massive sulphides, was discovered on ground now recorded as Packsack No. 2 claim. A geological survey by the writer shows clearly that this shear zone extends northward on to ground now recorded as Gunnysack Nos. 1 and 2 claims.

The mineralization found on Packsack No. 2 claim is massive pyrite with minor amounts of chalcocite, chalcopyrite and sphalerite. Sampling indicates that gold and silver may be present in the amount of approximately \$1.00 per ton at current prices.

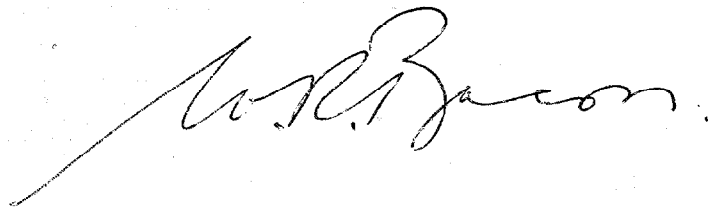
The results of the geological investigation on the Packsack group, and the Gunnysack group adjoining to the north, clearly justified further exploration. Because of the massive character of the sulphide showings, it was decided to do an electromagnetic survey of the Packsack group in order to outline the inferred deposit, much of which is covered by a shallow but practically continuous layer of overburden.

Sampling and geological work were carried out on the Packsack group during the assessment year, but only the geophysical work is hereby recorded for assessment purposes.

For the purpose of clarity, to the company and

the reader, the geophysical report includes the work done on both Packsack and Gunnysack groups. That portion of the cost of the geophysical work that can be properly allocated to the Packsack group is shown in the Statement of Costs.

Every phase of the Packsack exploration program has been laid out and supervised by the undersigned.

A handwritten signature in cursive script, appearing to read "W. R. Bacon". The signature is written in dark ink and is positioned to the right of the typed text.

GEOPHYSICAL REPORT

by

McPHAR GEOPHYSICS LIMITED

Purpose of the Survey

The survey was undertaken to trace, and also make width determinations, on a discovery of sulphide mineralization lying north of the Eestall River. Traverse lines, using the dual frequency electromagnetic equipment, were also run south of this known sulphide body to test the area lying between it and the bend in the Eestall River.

Presentation of Results

The results of the geophysical survey are presented on the accompanying map, No. E-4460 which is on a scale of 1" to 200 feet.

Discussion of Results

Conductor axes were established over consecutive lines in the area between Lines G and S. The axes outlined a near-surface conductor, roughly paralleling the baseline, which appears to be continuous in the area surveyed. Surface showings of massive sulphide mineralization are reported to be coincident with the anomaly in several localities and

consequently it is considered to be due to similar conductive material.

The zone displays good conductivity between Lines M and S but only moderate conductivity between Lines G and M. A study of the profiles suggests that the conductor dips steeply east and is at least 50 feet wide over most of its length. Strong responses were obtained on Lines G and S, and the anomaly probably extends further north and south.

Several weak indications have been interpreted from small flexures in the dip angle profiles. These may represent additional conductors, but further work would be required to establish them firmly.

The area between lines Y and M immediately adjacent to the Ecstall River is almost completely devoid of response.

Summary and Recommendations

Electromagnetic surveying in the vicinity of surface showings of sulphide revealed a wide conductive zone which has been traced for 2000 feet. Similar mineralization is undoubtedly the cause of some, if not all, of the anomalies and naturally evaluation of the zone by trenching or drilling is recommended. The variation in conductivity may prove to be associated with the sulphide type or content of the zone.

The conductor appears to be near surface and almost vertical and for this reason the spotting of DDH locations or surface trenches is not considered necessary.

McPHAR GEOPHYSICS LIMITED

(signed)

D. B. Sutherland
Geophysicist.

(signed)

Stanley Davidson
Consulting Geologist.

Dated: August 22nd, 1958.

STATEMENT OF COSTS

Electromagnetic Survey

<u>Name</u>	<u>Address</u>	<u>Dates</u>	<u>Rate/ Day</u>	<u>Cost</u>	<u>Qualifications</u>
W.R. Bacon	Vancouver	July 6-10/58	\$35.00	\$175.00	Reg. Prof. Eng.
F. Hussey	Toronto	July 6-25/58	35.00	700.00	EM Equip. Op.
W. Jenney	Toronto	"	15.00	300.00	Operator's Asst
D.B. Sutherland	Toronto	Aug. 19-22/58	35.00	140.00	Geophysicist
C.S. Davidson	Toronto	Aug. 20/58	100.00	100.00	Consultant
		Cost		\$1415.00	

Grid Layout

A. Claussen, transit man,	31 days @ \$15.00 =	\$465.00
K. Roy, chainman,	31 days @ \$10.00 =	310.00
M. Zajac, linecutter,	23 days @ \$10.00 =	230.00
D. McKee, linecutter,	8 days @ \$10.00 =	80.00
J. Mawhinney, linecutter,	7 days @ \$ 8.00 =	56.00
J. Flewin, linecutter,	21 days @ \$10.00 =	210.00
	Cost	\$1351.00

Total Cost of Survey

\$2766.00

MAP
SHOWING LOCATION OF
PACKSACK AND GUNNYSACK
GROUPS
WITH RESPECT TO THE
BIG BEND OF THE
ECSTALL RIVER

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SCALE + 1" = 2000'
NO.

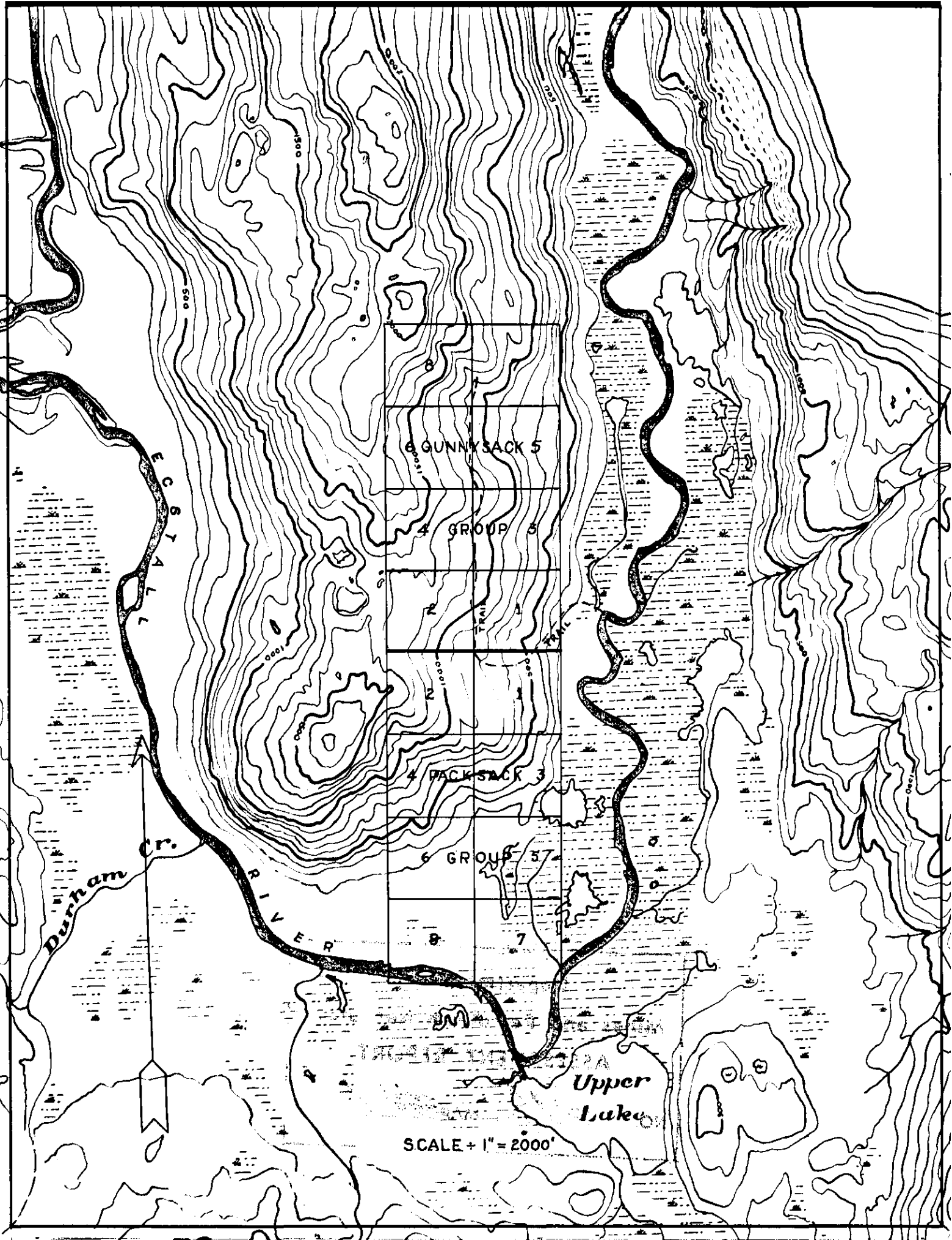
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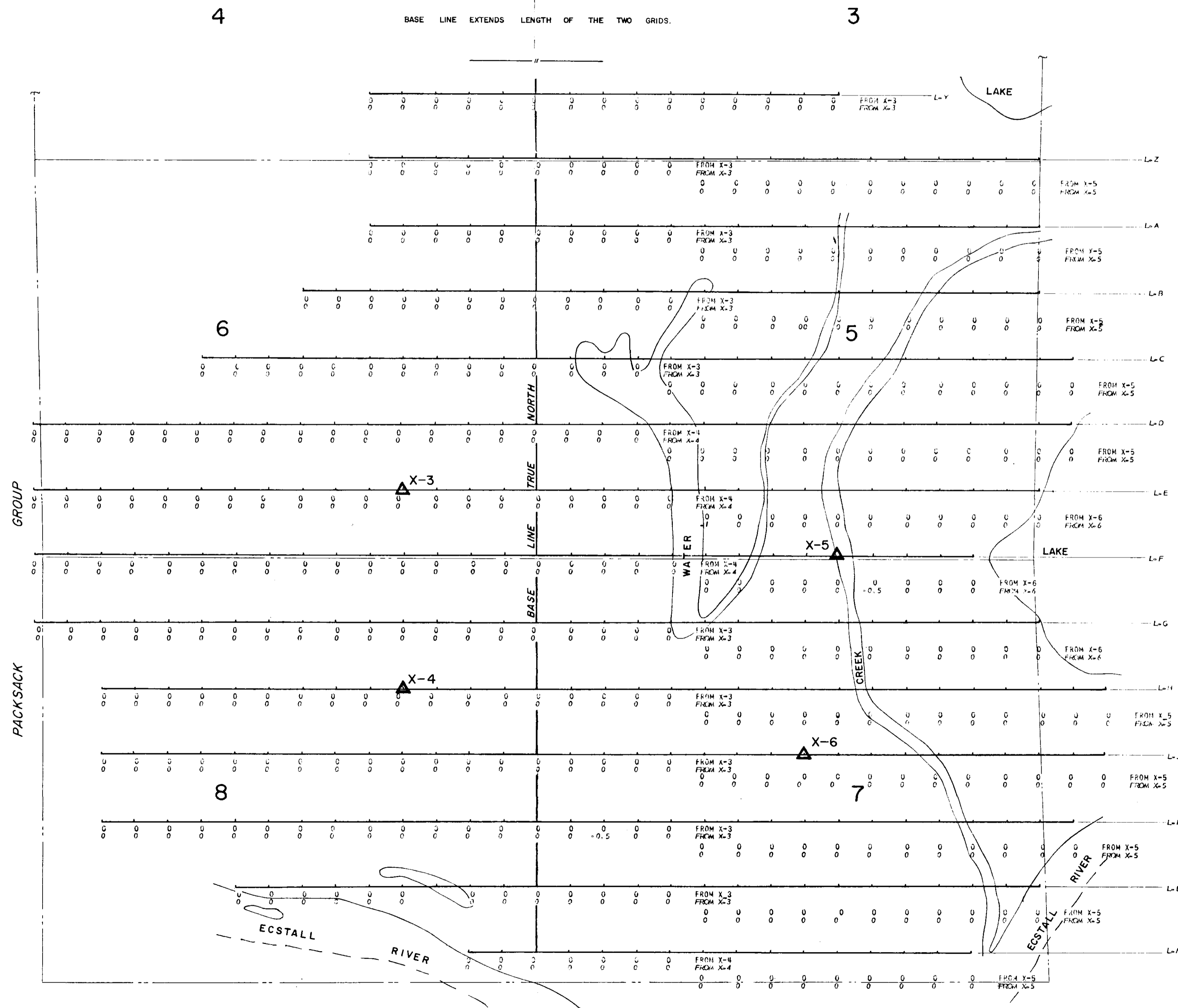
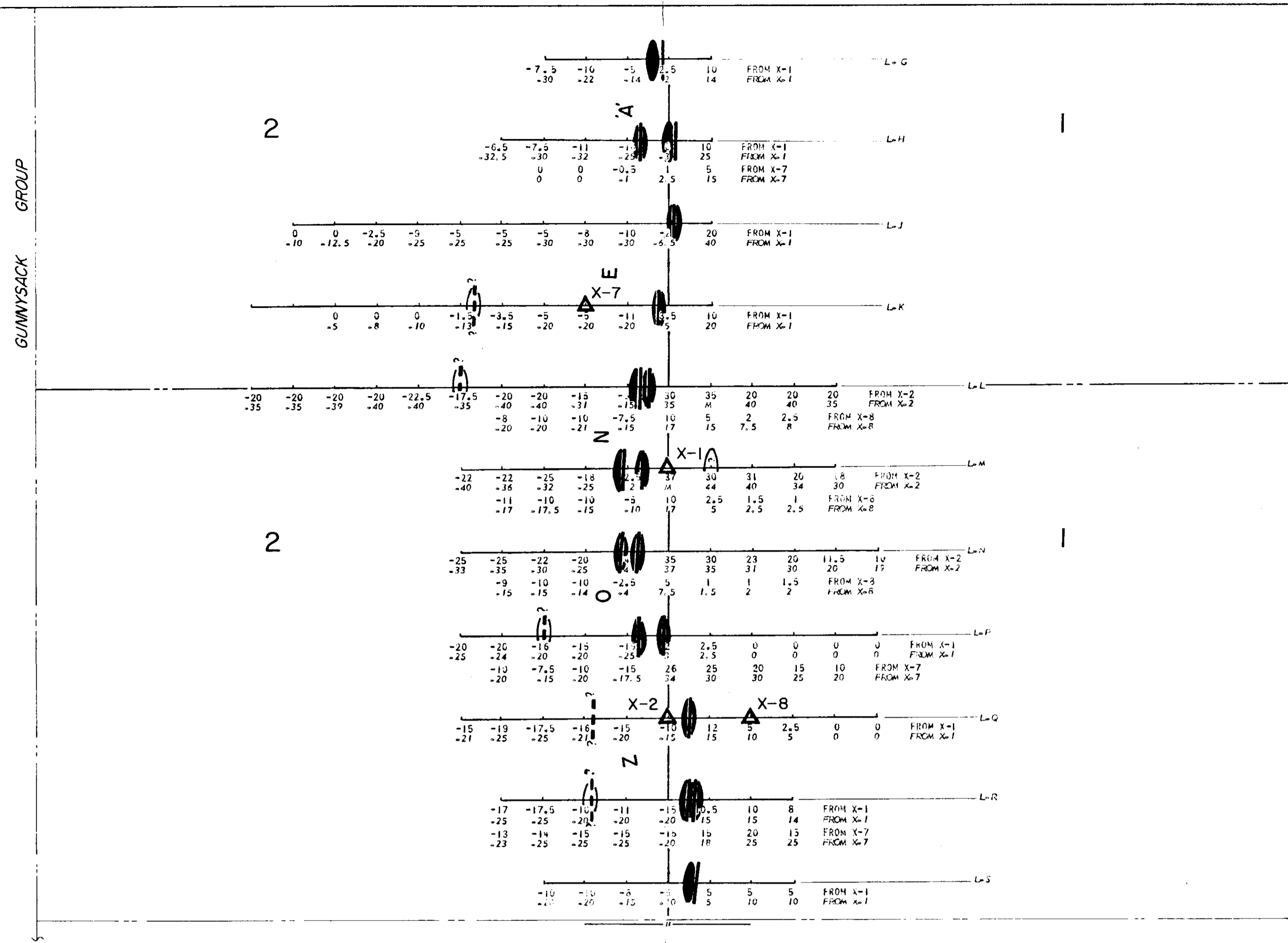
MAP

(TOPOGRAPHY BY TEXAS GULF SULPHUR CO.)

GAP
NO
PHOTO
COVER



McPHAR GEOPHYSICS LIMITED
ELECTROMAGNETIC SURVEY



Department of
Mines and Petroleum Resources
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Scale as 217

LEGEND
 ▲ TRANSMITTER LOCATION
 ○ RECEIVER TRAVERSE AND
 ○ -05 READINGS. 1000 C.P.S.
 ○ -03 READINGS. 5000 C.P.S.
 NOTE: CORRESPONDING TRANSMITTER
 IS INDICATED AT THE END OF EACH
 SERIES OF READINGS

TEXAS GULF SULPHUR COMPANY LIMITED
 PACKSACK AND GUNNYSACK GROUPS
 KITKIATA INLET ON DOUGLAS CHANNEL BRITISH COLUMBIA
 SCALE
 0 100 200 300 400 500 600 700 800 900 1000
 FEET
 One Inch = Two Hundred Feet

SYMBOLS
 ○ 1000C.P.S.
 ○ 5000C.P.S.
 — CONDUCTOR AXIS ESTABLISHED
 ? — ? POSITION OF CONDUCTOR AXIS
 ? — ? UNCERTAIN
 - - - - - EXISTENCE OF CONDUCTOR AXIS
 ? — ? UNCERTAIN
 ○ SUGGESTED TEST DRILL HOLE

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DRAWN: D.R.S.
 DATE: AUGUST 1959
 APPROVED: *[Signature]*
 DATE: Aug 23/59
 REVISED: SEPTEMBER 1959