

GOVERNMENT PRINTING
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MERRITT, B.C.

921/2E
GEOLOGICAL REPORT ON
SUNNYBOY PROPERTY
BY KENNETH G. SANDERS

Sunnyboy, Spitfire

This is the *first* work referred to in the affidavit of *A. W. E. Leckham* sworn herein before me the *14* day of *August* 1974

[Signature]

A Commissioner in and for the
Province of British Columbia

5092

5092

92I/2E

GEOLOGICAL REPORT

ON

SUNNYBOY PROPERTY

LOCATED AT

MERRITT, BRITISH COLUMBIA

FOR

TELSTAR RESOURCES LTD.

By: Kenneth G. Sanders, P.Eng.

May 13, 1974

Department of	
Mines and Petroleum Resources	
ASSESSMENT REPORT	
NO. 5092	MAP.....

TELSTAR RESOURCES LTD.

MERRITT PROSPECT - BRITISH COLUMBIA

<u>DATE</u>	<u>DESCRIPTION</u>	<u>MINING CLAIMS INVESTMENT</u>	<u>MINING EXPLORATORY EXPENSES</u>	<u>GENERAL EXPENSES</u>
Sept. '73	Rogers, Hunter & Co. - Legal Len Peckham	\$2,500.00	\$	\$ 150.00
	Loring Laboratories			35.00
	Whiteside Travel - Kamloops, B.C.			132.00
	Syd Smith U-Drive Kamloops, B.C.			55.33
Oct. '73	O.K. Welders Supplies Ltd.		82.40	
	George Yamakawa - Blasting		225.00	
	K.M. Kary - Travel, etc.			11.30
	" " "			134.50
	" " - Telephone Charges			143.75
	Whiteside Travel - Kamloops			132.00
	Loring Laboratories		63.00	
	Syd Smith U-Drive			46.10
	Host Rent-a-Car		28.52	
	Alberta Gypsum Ltd.		120.00	
	Harris & Sons Cons. Ltd. - Hauling		361.00	
Nov. '73	K.M. Kary - Travel Exp.			196.80
	Host Rent-a-Car			28.91
	K.M. Kary - Telephone Charges			79.85
Dec. '73	K.M. Kary - Travel Exp.			441.53
	" " - Telephone Charges			29.16
	Len Peckham	5,000.00		
Jan. '74	Loring Laboratories			38.00
	K.M. Kary - Vancouver Exp.			100.00
	K.M. Kary - Travel Exp.			119.80
	K.M. Kary - Telephone Charges			12.70
Feb. '74	K.M. Kary - Travel Exp.			27.28
	K.M. Kary - Telephone Charges			22.25
	Cominco - Milling Charge		231.61	
Mar. '74	K.M. Kary - Telephone Charges			40.95
	Loring Laboratories			6.00
Apr. '74	K.M. Kary - Travel Exp.			154.09
	K.M. Kary - Telephone Charges			20.95
	Solicitors Fees re Peckham			375.00
May '74	K.Y. Sanders, Geological Report		150.00	
		<u>\$7,500.00</u>	<u>\$1,261.53</u>	<u>\$2,533.25</u>

GRAND TOTAL:

\$11,294.78

Comment re location of veins sampled for #5092

From the plot by K. G. Sanders it is clear that he sampled the three ^{westerly} sections of the south vein, shown in #5091 on Lots 5198 and 5203. From the topographic map the break in slope appears to occur on Lot 5203. West-trending veins are not mentioned in #2750 or in MMAR for 1967; #117 on the topographic map is the northwest-trending Cliff copper zone. The copper zone shown in #5091 on Lots 5194 and 5195 appears to be the Roy zone.

It would appear that the locations shown in #5091 should be used.

J. E. P. Eastwood

1940 Limerick Place,
North Vancouver, B.C.,
November 4, 1974.

NOV 6 74 PM

Mr. E. J. Bowles,
Chief Gold Commissioner,
Victoria, B.C.



Re our letter
of 1/6/74

DEPT. OF MINES
AND TECHNICAL SERVICES

11777

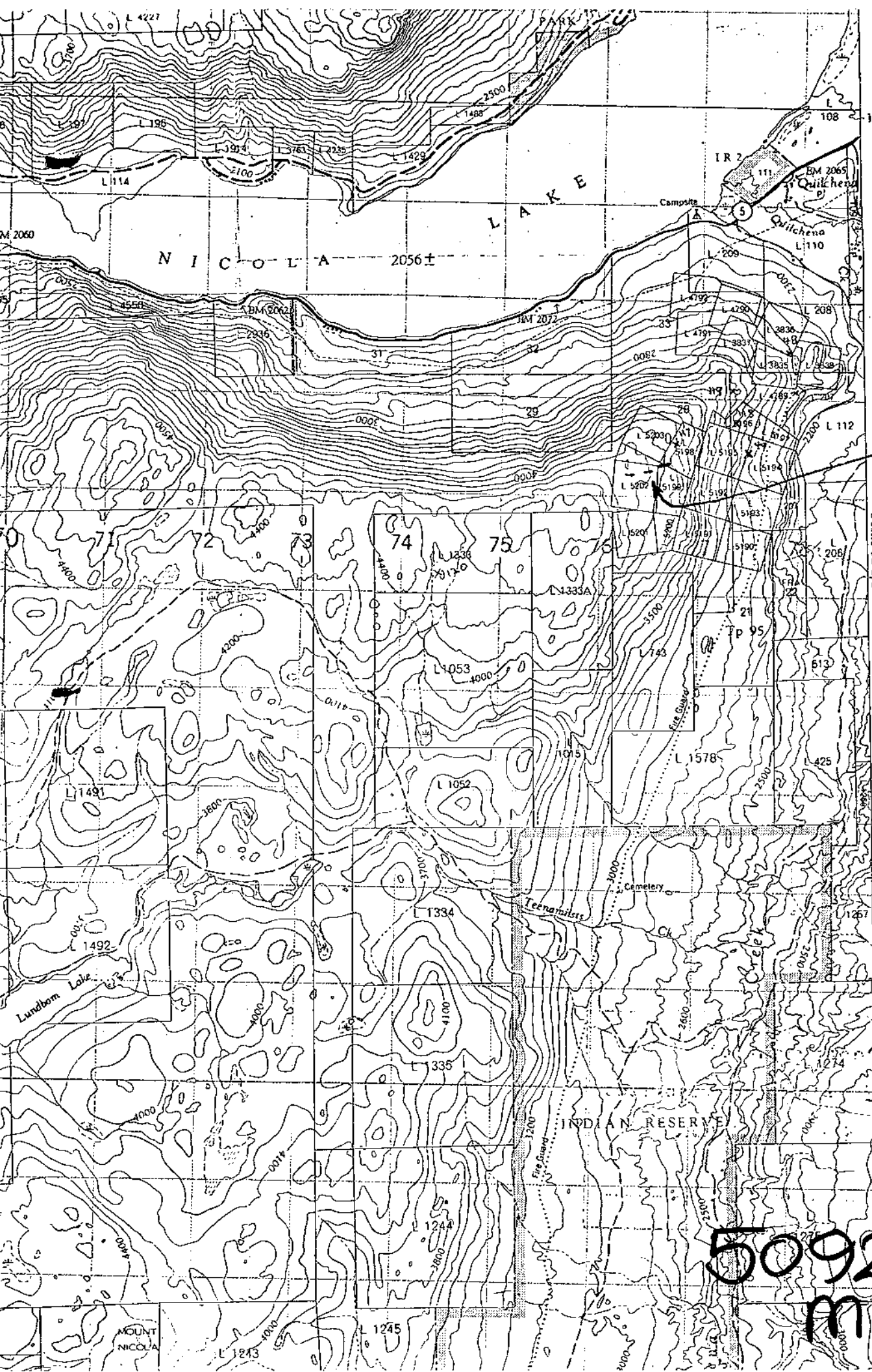
Dear Sir, - Hold, Sunnyboy etc
Mica etc

When I visited the Selatan property at Sulichena in the company of Mr. Kary and Mr. Peckham I used map 92I 2E to orient myself generally but I was not shown any claim lines or claim posts by them and therefore did not precisely tie in the veins to the mineral claims.

The locations I showed on my report are tied in to the topography as well as I could judge it in the time I spent on the property, and using such a small map. It could well be that Mr. Peckham's knowledge of the area is more accurate than mine since he has searched out claim posts and spent considerable time on the claims.

I can only add that all of the veins I saw occur where the hillside begins to change slope and flattens out across the ridge. That would actually put them at, and above the 4000 ft. elevation in my opinion.

Yours truly,
K. G. Sanders



Vein positions
 56 as interpreted
 by me.
 W. B. Sandhu
 June 28/11
 55 The lower vein
 could be the
 #117 shown
 54 on this map.

5092
 m 1

Department of
Mines and Petroleum Resources

ASSESSMENT REPORT

NO. **5092** MAP **#1**

C E R T I F I C A T E

I, Kenneth G. Sanders, of the Province of British Columbia, certify as follows:

1. That I am a geological engineer and have practised my profession continuously for 25 years and maintain an office at 1940 Limerick Place, North Vancouver, British Columbia.
2. I am a graduate of the University of Toronto, Toronto, Ontario and obtained the degree of BAsC in 1949.
3. I am a member of the Association of Professional Engineers of British Columbia.
4. I have no interest, direct or indirect in the Sunnyboy property, or in the securities of Telstar Resources Ltd., nor do I expect to receive any such interest.
5. This report is based upon study of pertinent government reports and maps, and my personal inspection of the property on September 26, 1973.

DATED at North Vancouver, Province of British Columbia, this
13th day of May, 1974.

K. G. Sanders

K.G. Sanders, P. Eng.

GEOLOGICAL REPORT ON THE SUNNYBOY GOLD PROPERTY - MERRITT, B.C.

INTRODUCTION:

I examined the gold property known as Sunnyboy, near Merritt, B.C., on September 26, 1973 in the company of Mr. K.M. Kary, President of Telstar Resources Ltd., of Calgary, Alta., and the prospector, Mr. Len Peckham from whom Telstar has an option to purchase the claims that comprise the property.

LOCATION AND ACCESS:

The property is located 12 miles east of the City of Merritt, B.C., which is about 225 road miles east of Vancouver, B.C. The main showings on the property occur at 4000 feet elevation close to the highest point on the claim group and at the elevation where most of the rock on the property is exposed and can be examined. The greater area of the property lies below this elevation and down to the valley floor at 2200 feet elevation. Rock outcroppings are scarce below the 4000 foot elevation. Forest cover on the claims is light, and large areas of open grassy slopes are common. Although the relief on the property is 1800 feet the topography cannot be called rugged, and the accessibility to the claims is excellent via paved road and local ranch roads.

CLAIMS:

The property is comprised of 53 close-to-full-sized mineral claims which would total about 2650 acres. Forty-one claims are held by location and 12 by government mineral lease. The located claims are called Gold 1 to 31 inclusive, and Gold 41 to 50 inclusive. The leased claims are former Crown Granted claims known as Sunnyboy 1 to 9 inclusive, Shannon, and Spitfire 1 and 2. All claims are held in the name of Len Peckham of Cache Creek, B.C. and it is my understanding that Mr. Peckham has granted an option to purchase all of these claims on suitable terms to Telstar Resources Ltd., of Calgary, Alberta. It is also my understanding that all 53 claims are currently in good standing on the records of the Mining Recorder in the Nicola Mining Division.

PREVIOUS WORK ON THE PROPERTY:

The property has always been known as the Sunnyboy but is only briefly mentioned in the comprehensive Geological Survey Memoir covering the Nicola map area. The better known Quilchena copper and gold property which adjoins the Sunnyboy to the north has been more extensively described in the geological literature but it is assumed that both properties were originally discovered around the same time at the turn of the century. Records on the Sunnyboy are almost non-existent but a fairly comprehensive description is given in the Annual Report of the Minister of Mines for B.C. in 1949 by Dr. W. White included in the description of the Quilchena property. From my examination I concluded that only a few small test pits were put in by the original discoverers but most of the work was done in the early 1950's by the company which owned the Quilchena property at that time. This work consisted of about 80 lineal feet of rock trenching and 4 or 5 pits additional to the original test pits. Considerable bulldozer trenching was also done at that time for assessment work purposes and presumably testing for copper because the gold showings were not bulldozed. I saw no conclusive evidence that diamond drilling was also done at that time and I have concluded that no such work has yet been done on the gold showings.

DESCRIPTION OF SHOWINGS:

The best showing that was shown to me is at the east end of the area where the gold veins outcrop. This is also the lowest point of the outcrop area. A quartz vein in adesite is exposed by rock trenching for 50 feet along strike going west from the access road leading down into the Quilchena Valley. The strike of the vein is westerly and its dip is almost vertical. I obtained some very interesting gold assays from this vein over narrow widths. These are summarized as follows:

<u>WIDTH</u>	<u>Oz. Au Per Ton</u>	<u>Oz. Ag Per Ton</u>	<u>DESCRIPTION</u>
6.0 inches	50.53	2.80	Visible gold. Most easterly sample. At road.

DESCRIPTION - cont'd.:

<u>WIDTH</u>	<u>Oz. Au per Ton</u>	<u>Oz. Ag Per Ton</u>	<u>DESCRIPTION</u>
4.8 inches	7.82	0.64	In trench 5 feet west of first sample.
9.6 inches	7.54	1.58	In trench 15 feet west of second sample.
4.8 inches	0.64	0.15	In trench 30 feet west of third sample.
Grab	0.39	0.09	Random grab samples of quartz blasted from trench between 3rd & 4th sample.

The quartz vein contains a little visible gold plus minor chalco-pyrite and galena. It is assumed that some gold values are also contained in the chalcopryrite.

A second vein also in andesite was examined several hundred feet west along strike from the best vein and may be the same vein. A pit has been blasted into this vein and I took one sample here across 9.6 inches. This sample assayed 0.81 oz. Au per ton, and 0.18 oz. Ag per ton.

The third vein that was shown to me is about 1000 feet west of the best vein, but again, is on the general strike of that vein and if not the same vein, it represents a vein zone which is at least 1000 feet long. The samples that I cut from this third vein are described as follows:

<u>WIDTH</u>	<u>Oz. Au Per Ton</u>	<u>Oz. Ag Per ton</u>	<u>DESCRIPTION</u>
8.4 inches	2.62	2.20	From trench at west end of showing area.
4.8 inches	0.32	0.08	20 feet west of first sample.
Grab	1.26	0.93	Chalcopryrite and quartz.

ECONOMIC POTENTIAL OF PROPERTY:

A quartz vein zone carrying high gold values over narrow widths has been indicated for a length of at least 1000 feet on the upper portion of the claim area. The gold values

ECONOMICS - cont'd.

may be high enough to carry commercial values across the zone in the \$5 to \$7 per ton range across mineable open pit widths of several hundred feet. It is my opinion that several narrow high grade veins occur in the zone and the 3 veins that were shown to me are not necessarily one intermittent vein, but rather, indicate the vein zone which could be wide enough to mine completely by open pit methods. This is the main possibility that should be further investigated on this property.

The vein zone as presently indicated is also "open" on both ends along strike and may well be longer than 1000 feet. This possibility also should be investigated.

The best vein itself can also be considered on its own merits. Taking a weighted average of all of the measured samples from the 3 veins that I sampled I arrived at an overall average of 3.94 oz. gold per ton across 6.9 inches which is equivalent to about 0.50 oz. across a very satisfactory mining width of 5 feet. In dollar value at \$150 per ounce this would be \$75 across 5 feet which is highly economic for underground mining. The better end of this vein, the east end, is entirely open and untested and could well continue beyond the 50 feet already exposed.

Other gold vein zones may exist on the property but are obscured by overburden. This is a further possibility that should be investigated.

RECOMMENDED DEVELOPMENT PROGRAM:

1. Geochemical soil sampling program for gold and silver over entire claim area. North-south running lines at 400 foot intervals. Soil sample interval of 100 feet along each line. The known showing area should be sampled first as a means of comparison with the rest of the claim area. An accurate tape and compass survey of the main showing area should also be done at the

RECOMMENDED PROGRAM - cont'd.

- same time to accurately map the 3 veins and determine the possible width of the vein zone.
2. Some form of bulldozer stripping or trenching or overburden removal below the road east of the best vein area where the vein passes into overburden below the road. This would be to test the strike extension to the east and follow the vein or vein zone if it is found to continue easterly.
 3. A small diamond drill program could be initially considered also, if finances are available. Holes should be drilled southerly across the vein zone starting at the best vein itself to test for depth continuity. Care would have to be taken to recover all of the drill core since the veins are narrow and could easily be missed. At this stage of knowledge of the property 1500 feet of drilling on the known vein zone is warranted if financing is available.

COST OF RECOMMENDED PROGRAM:

About 55 miles of geochem survey would be required. Including lab analysis costs this part of the program should cost about \$10,000. At the time the survey is being done it may seem that line spacings of 400 feet are closer than necessary and it may be adviseable to widen out to 800 foot spacing in seemingly "dead" areas. This would cut the costs to less than \$10,000 and could be adequate to initially test the larger unknown overburden - covered areas.

The bulldozer program should not cost more than \$5000 unless the vein can be easily trenched and followed and more work seem justified.

The 1500 feet of BQ diamond drilling should not cost more than \$17,000. A series of 100 or 200 foot holes across

COST OF RECOMMENDED PROGRAM - cont'd.

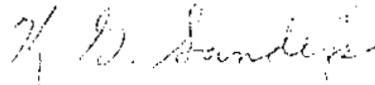
the strike of the main vein zone seems to be called for at this stage.

CONCLUSIONS:

Depending on the availability of finances the recommended expenditures for further exploration and development of this property would be \$15,000 minimum and \$32,000 maximum at the present stage of knowledge of the gold deposits.

The gold assays obtained from this property to date are above average and would be hard to duplicate elsewhere. Further exploration on this property is herewith advised.

Respectfully submitted,



K.G. Sanders, P. Eng.

May 13, 1974.

GENERAL TESTING LABORATORIES

DIVISION SUPERINTENDENCE COMPANY (CANADA) LTD

1001 EAST PENDER STREET, VANCOUVER 6 B.C., CANADA
 PHONE (604) 254-1647 TELEX 04-507514 CABLE SUPERWISE

TO:
 TELESON MINES LTD.
 1705 - 777 Hornby St.
 Vancouver, B.C.
 ATTN: Mr. K. Sanders

CERTIFICATE OF ASSAY

No.: 7309-2752 DATE: Oct 1st/73

We hereby certify that the following are the results of assays on: *One*

MARKED	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	GOLD	
								OZ/ST GR/MT	STYERAC OZ/ST GR/MT
P.O. NO. E 52911									
101 EE								0.32	0.08
102 EE								1.26	0.93
103 EE								0.053	0.02
104 EE								0.026	0.02
614 Y								50.33	2.80
615 Y								7.82	0.61
616 Y								7.51	1.58
617 Y								0.61	0.15
618 Y								0.39	0.09
619 Y								0.81	0.18
650 Y								2.62	2.20

*Summyby property
 H. S. S.*

*Summyby property
 H. S. S.*

(Above Gold assays were corrected for "METALLIC GOLD" on 100 mesh screen)

(Extra charge for "GOLD METALLICS ASSAY")

TTS/pm

NOTE: REJECTS RETAINED ONE MONTH. PULPS RETAINED THREE MONTHS. ON REQUEST PULPS AND REJECTS WILL BE STORED FOR A MAXIMUM OF ONE YEAR.

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H. Shingles
 H. Shingles PROVINCIAL ASSAYER

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