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104J/4W

REPORT ON DIAMOND DRILLING

GRIZZLY CLAIMS

SHESLAY RIVER AREA

ATLIN MINING DIVISION, B.C.

by

Darrel Johnson

CLAIMS: Grizzly 1 to 20 inclusive,
RED 41 to 44 inclusive,
RED 47 to 50 inclusive,
RED 53, 55, 57, 59, 61,
RED 101, 103,105, 106, 107, 109
KID 1

LOCATION: Northwest side of the Sheslay River, 65 miles at 10° S of west from Dease Lake, B.C.

58°14'N, 131°53'W

N.T.S. 104 J/4W

OWNERS: Edward Asp, Cobre Exploration Ltd. and Gordon Davies

WORK BY: Ducanex Resources Limited

DATES: June 22 to August 8, 1974

Vancouver, B.C. October 15, 1974

TABLE OF CONTENTS

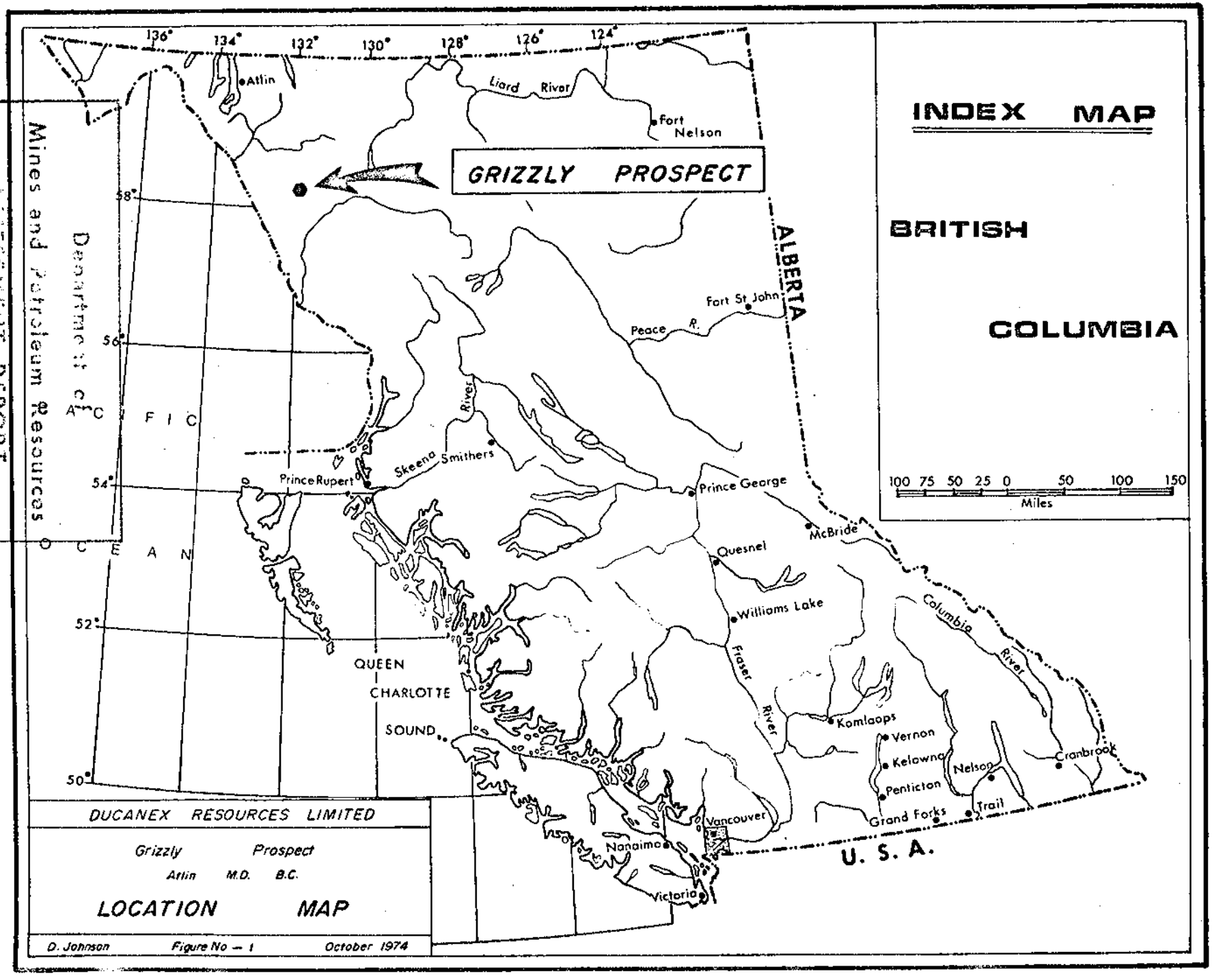
MAPS

SUMMARY

During the months of June, July and August, 1974, a diamond drilling programme was conducted on the Grizzly porphyry copper prospect in the Sheslay River area of northern B.C. This project, a 50/50 joint venture between Ducanex Resources Ltd. and Brascan Resources Ltd., was operated by Ducanex. Three holes, totalling 1,902 feet were drilled by Arctic Diamond Drilling Ltd. Ducanex personnel arrived on the property June 8, and all equipment and personnel left the site August 7.

CONCLUSIONS AND RECOMMENDATIONS

The diamond drilling did not discover any deposit of ore-grade mineralization. It is concluded that the prospect's potential has been adequately tested, and the possibility of the existence of an economic ore body has been eliminated. Further work or expenditure on this prospect cannot be recommended.

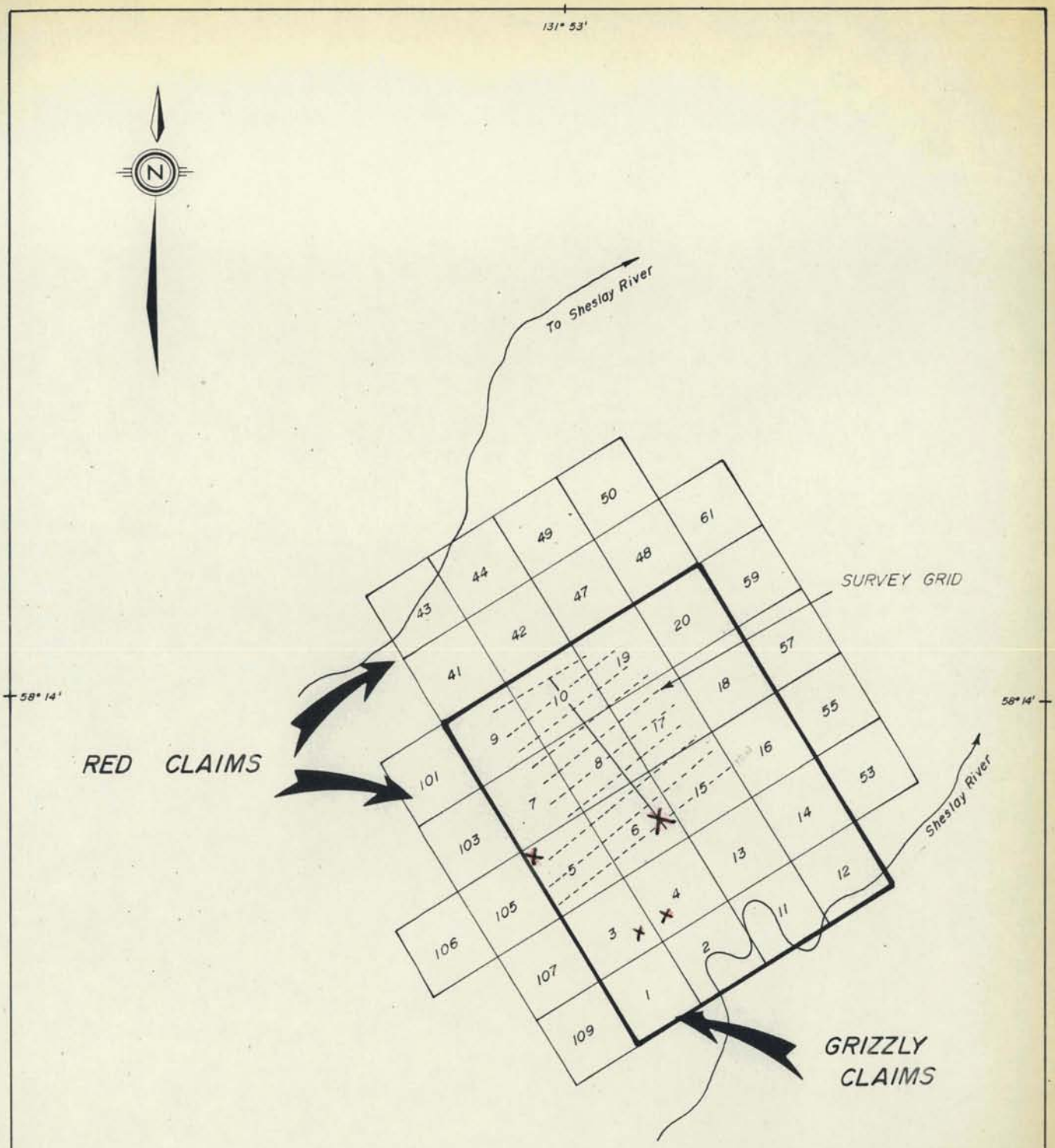


INTRODUCTION

General. The Grizzly prospect is one of a number of interesting copper occurrences in the Sheslay River, Katetsa Mountain area of B.C., which have been investigated at various times since the mid-1950's. The Grizzly showings were originally held by Newmont, and have since been explored by Kennco Exploration, Colo Corporation and Cobre Explorations. Previous work included mapping, geochemical surveys and geophysical work. A limited amount of diamond drilling was attempted using an X-ray drill, but was unsuccessful due to failure to penetrate overburden.

Claims. The property consists of the KID, RED, and Grizzly claims, totalling 40. Claim names, record numbers and anniversary date are listed below:

Claim Name	Record Number	Anniversary Date
Grizzly 1 to 20 inclusive	13951 - 13970 inclusive	October 20
RED 41 to 44	17810 - 17813	February 24
47 to 50	17816 - 17819	"
53	17822	"
55	17824	"
57	17826	"
59	17828	"
61	17830	"
101	18242	June 14
103	18244	"
105 to 107	18246 - 18248	"
109	18250	"
KID 1	4146	August 5



× Cu

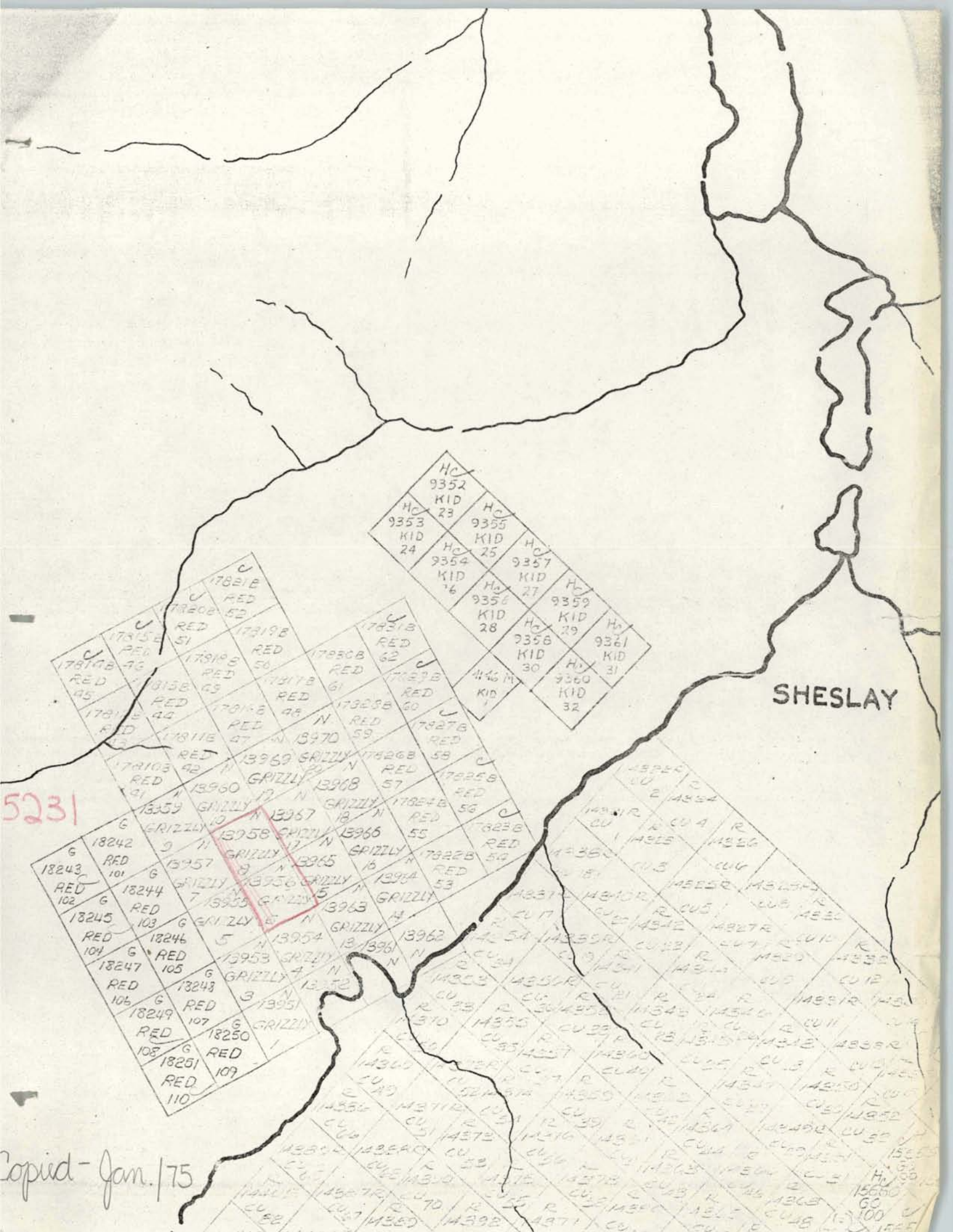
DUCANEX RESOURCES LIMITED

Grizzly Prospect
Atlin M.D. B.C.

CLAIM MAP

Scale 1" = 3000' N.T.S.-104-J-4W

D. Johnson Figure No – 2 October 1974


SHESLAY
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Copied - Jan. 1/75

Location and Access. The property is located on the northwest side of the Sheslay River, 65 miles at 10° south of west from Dease Lake, B.C. Terrain is moderately rugged, ranging in elevation from 2,000 feet at the river to 4,100 feet at the highest point.

Vegetation is largely poplar and alder trees, with thin underbrush. Patches of large evergreen timber occur on only about 1/4 of the claim area. Clearing of drill sites, helipads, trails, etc., was relatively easy.

The only access to the site is via aircraft. An airstrip suitable for aircraft up to DC-3 size is located at the junction of the Hackett and Sheslay Rivers, about 3 miles N.E. of the claims. Frontier Helicopters maintains a base at Dease Lake, and provides good service with Bell Jet Ranger and Sikorsky 55 machines.

The nearest road is the Telegraph Creek - Dease Lake road, about 35 miles distant. Tractor trails reach the airstrip, and could easily be extended to the Grizzly property.

Climate in the area is typical of much of northern B.C. The snow-free season extends from about May 15 to September 30. Summer months are quite dry, resulting in some problems with water supply during drilling operations.

DIAMOND DRILLING

Logistics

Drilling was contracted by Arctic Diamond Drilling of Whitehorse, Y.T. Drilling equipment, camp and personnel were moved to the property from Telegraph Creek by Frontier Helicopter's S-55, in 14 loads of 2,000 lbs. each. A Bell Jet Ranger was used to move the drill between setups. Helicopter time for a drill move averaged 3½ hours including ferry time to and from Dease Lake.

Water supply presented a bit of a problem. Prior to arrival of the contractor on the property, a sump was prepared. This soon proved to be an inadequate water supply and an additional supply pump and 1,500 feet of hose had to be flown in from Whitehorse.

Machine used was a Longyear 34 with gasoline engine, using BQ wireline equipment. Core is stored at the drill sites.

Targets

D.D.H. #1 was spotted at 41+80 N, 8+80 W, at the northern edge of the previously known copper showing, Purpose of the hole was to test extent and grade of surface mineralization, and to cut across the structural

trend of the zone. The hole was drilled at a dip of -50 degrees, on a bearing of NE to a depth of 740 feet.

D.D.H. #2 was designed to test a moderate I.P. anomaly centred on line 32N, just east of the baseline. Geochemical work in this area had given values in excess of 500 p.p.m. copper. The hole was collared at 32+80 N, 0+30 E, and drilled at -50 degree dip, bearing NE to a depth of 739 feet.

D.D.H. #3 was intended to examine a strong I.P. anomaly shown in the old Kennco data. The hole was drilled from 20+70 N, 13 W, to a depth of 423 feet. Bearing was 240 degrees, dip was -45 degrees.

Drill hole data is summarized in Table 1.

RESULTS

Detailed drill logs are included in Appendix B.

D.D.H. #1

Alternating zones of andesite and syeno-monzonite occurred throughout Hole No. 1. All rock was well altered, with chlorite, epidote and potash feldspar enrichment along fractures. Pyrite was evident in varying amounts in most of the core. One section, 260-380 feet, was split and assayed, giving values of .02% to .08% copper (average .04/120 feet).

D.D.H. #2

Geology in the second hole was very similar to that in No. 1. Pyrite was present in amounts sufficient to cause the I.P. anomaly being tested. No copper mineralization was seen and no core was assayed.

D.D.H. #3

The strong I.P. anomaly being tested was readily explained by the massive pyrite throughout Hole No. 3. Four random 10-foot sections of this pyrite were assayed, with no interesting results.

REFERENCES

Fitzgerald, M.J., P.Eng.

Report on Geological, Geochemical and Geophysical Surveys - Grizzly Prospect Cobre Exploration Ltd., November, 1972

Hallof, P.G., Ph.D.

Report on Geophysical Survey, (Induced Polarization and Resistivity) on the Kid Claim Group, Atlin M.D., B.C. Kennco Explorations (Western) Ltd., June, 1962

Walcott, P.E., P.Eng.

A Geophysical Report on an Induced Polarization Survey on the Grizzly Claims, June, 1974.

David Johnson

T A B L E 1

DRILL HOLE DATA

HOLE NO.	GRID LOCATION	DIP	BEARING	DEPTH
1	41+80 N 8+80 W	-50°	NE	740 feet
2	32+80 N 0+30 E	-50°	NE	739 feet
3	20+70 N 13 W	-45°	240°	423 feet

COMPANY DUCANEX RESOURCES LIMITED PROPERTY GRIZZLY J.V.

Township _____ Claim No. _____

SHEET No. 1 Reference _____ HOLE No. 1

Started June 29, 1974 Location 41 + 80 N Bearing N.E.

Finished July 17, 1974 8 + 80 W Dip: -50 @ Collar; _____ @ _____

Depth 740 ft. Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS
0	48	Casing					
48	53	Syenite - badly broken with chlorite and epidote.					
53	90	Fine-grained andesite. Badly broken. Much alteration on fractures - calcite - epidote - chlorite - K-spar flooding					
90	101	Brecciated zone.					
101	113	Brecciated fine-grained andesite, calcite on fractures.					
113	176	Fine-grained andesite - badly broken. Much epidote alteration on fractures with calcite and chlorite.					
176	177	Breccia with calcite.					
177	200	Same broken, fine-grained andesite.					
200	223	Same as above, some breccia zones. Calcite stringers. Much epidote and chlorite.					
225	260	Badly broken fine-grained andesite with chlorite and epidote. Some K-spar enrichment along fractures, containing					

APPENDIX "A"

Drilled by Arctic Diamond Drilling Company Core Size BQ Logged by D. Johnson

COMPANY DUCANEX RESOURCES LIMITED PROPERTY GRIZZLY J.V.

Township _____ Claim No. _____

SHEET No. 2 Reference _____ HOLE No. 1
Started June 29, 1974 Location _____ Bearing N.E.
Finished July 17, 1974 _____ Dip: -50 @ Collar; _____ @ _____
Depth 740 ft. Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	FROM	TO	WIDTH	ASSAYS % Cu
		minor amounts of pyrite.					
260	262	Strongly sheared contact zone. K-spar flooded fine-grained andesite.	11276	260'	270'	10'	.06
			11277	270'	280'	10'	.08
262	278	Medium-grained pink syenite. Badly broken. Minor amounts of pyrite and chalcopyrite, disseminated and on fractures.	11278	280'	290'	10'	.05
			11283	290'	300'	10'	.03
278	288	Syenite. Badly broken, chlorite and epidote alteration on fractures. Minor sulphides (pyrite) associated with mafic minerals moderately magnetic.	11284	300'	310'	10'	.04
			11285	310'	320'	10'	.03
			11286	320'	330'	10'	.04
288	329	More monzonitic composition.	11287	330'	340'	10'	.02
329	341	Badly broken and ground sections. Some fine sulphides.	11279	340'	350'	10'	.07
341	369	Syenite, with minor amounts of magnetite, pyrite and chalcopyrite. Some K-spar enrichment along fractures.	11280	350'	360'	10'	.04
			11281	360'	370'	10'	.03
369	382	Monzonite, with K-spar enrichment on fractures. ¼ inch seam of clay mineral.	11282	370'	380'	10'	.04

Drilled by Arctic Diamond Drilling Company Core Size BQ Logged by D. Johnson

COMPANY DUCANEX RESOURCES LIMITED PROPERTY GRIZZLY J.V.

Township _____ Claim No. _____

SHEET No. 3 Reference _____ HOLE No. 1

Started _____ Location _____ Bearing N.E.

Finished _____ Dip: -50 @ Collar; _____ @ _____

Depth _____ Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS			
		Few isolated blebs of chalcopyrite up to 1/16 inch in diameter.								
382	383	Fine-grained andesite dike.								
383	404	Badly broken pinkish syenite. Chlorite and epidote on shears. Fine-grained disseminated sulphides. Some narrow (1 incn) andesite dikes highly altered to clay minerals.								
404	408	Highly altered section.								
408	466	Fractured monzonite. Chlorite and epidote on shears. Some K-spar enrichment. NO MINERALIZATION								
466	468	Serpentine on fractures.								
468	489	Syenite - very sugary texture.								
489	493	Breccia zone.								
493	516	Syenite with epidote, calcite, chlorite. Rare sulphides.								
516	535	Same as above, no sulphides.								
535	537	MUD SEAMS								

Drilled by Arctic Diamond Drilling Company Core Size BQ Logged by D. Johnson

COMPANY DUCANEX RESOURCES LIMITED PROPERTY GRIZZLY J.V.

Township _____ Claim No. _____

SHEET No. 4 Reference _____ HOLE No. 1

Started _____ Location _____ Bearing N.E.

Finished _____ Dip: -50 @ Collar; _____ @ _____

Depth _____ Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS
537	543	Contact zone. Syenite to andesite. Much calcite and epidote. No sulphides.					
543	560	Andesite. Greenish - sugary textured.					
560	561	Syenite dyke.					
561	619	More andesite, occasional syenite dyke. No sulphides.					
619	621	K-spar enriched zone.					
622	632	Syenite.					
632	657	Andesite, much epidote and chlorite. Minor syenite dykes.					
657	740	Fine-grained syenite. Fractured, broken and re-cemented. Stringers of calcite and epidote. Very rare pyrite.					
		END OF HOLE					

Drilled by Arctic Diamond Drilling Company Core Size BQ Logged by D. Johnson

COMPANY DUCANEX RESOURCES LIMITED PROPERTY GRIZZLY J.V.

Township _____ Claim No. _____

SHEET No. 1
Started July 21, 1974
Finished July 28, 1974
Depth 739 feet

Reference _____
Location 32 + 80 N
00 + 30 E
Elevation _____

HOLE No. 2
Bearing N.E.
Dip: -50 @ Collar; _____ @ _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS
0	25	OVERBURDEN					
25	35	Andesite, broken, much pyrite on shears, associated with epidote. Almost Gneissic texture. No visible copper.					
35	51	Syenite. Much fine-grained pyrite along shears, with epidote.					
51	88	Porphyritic andesite, well sheared, with epidote and pyrite on shears. Calcite and serpentine. Some magnetite crystals.					
88	89	12" dike solid epidote.					
89	105	Andesite, similar to above, less broken. Minor syenite sikes. Much pyrite, chlorite and epidote.					
105	109.5	Zone of syenite dyking. Barren.					
109.5	125.5	Porphyritic andesite. Chlorite, epidote, calcite. Weakly magnetic.					
125.5	130	Syenite, with epidote and minor pyrite on shears.					

Drilled by Arctic Diamond Drilling Core Size BQ Logged by D. Johnson

COMPANY DUCANEX RESOURCES LIMITED PROPERTY GRIZZLY J.V.

Township _____ Claim No. _____

SHEET No. 2 Reference _____ HOLE No. 2

Started _____ Location _____ Bearing _____

Finished _____ _____ Dip: _____ @ Collar; _____ @ _____

Depth _____ Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS			
130	172	Fine to medium-grained monzonite. Magnetite. K-spar enrichment along fractures, with calcite, epidote, chlorite. Much pyrite, both disseminated and on fractures.								
172	252	Syeno-monzonite. More syenitic than 130-172. Magnetite as blebs and fracture filling. Some epidote stringers. Some broken sections, re-cemented with calcite.								
252	305	Fine-grained andesite. Epidote stringers up to ½ in. thick. Calcite stringers. Chlorite on fractures. Minor K-spar enriched zones and syenite dikes. Rare pyrite.								
305	313	Altered syenite? Calcite stringers. Epidote (calcite more recent). Stringers warped and convoluted.								
313	439	Altered andesite. Minor syenite dikes, up to ½ in. thick. Calcite on fractures. Much chlorite and epidote. Barren.								

Drilled by Arctic Diamond Drilling Core Size BQ Logged by D. Johnson

COMPANY DUCANEX RESOURCES LIMITED PROPERTY GRIZZLY J.V.

Township _____ Claim No. _____

SHEET No. 3 Reference _____ HOLE No. 2

Started _____ Location _____ Bearing _____

Finished _____ Dip: _____ @ Collar; _____ @ _____

Depth _____ Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS
439	455	Syeno-monzonite. K-spar enrichment along fractures. Epidote and calcite.					
455	456	Altered andesite dike.					
456	462	Syeno-monzonite.					
462	472	Contact zone, sheared and brecciated. Alternating bands of andesite and syeno-monzonite.					
472	524	Altered andesite, same as above.					
524	524.5	6 inch band of massive orthoclase.					
524.6	605	More altered andesite. K-spar rich zones. Mud seams. Minor pyrite. Brecciated zones, cemented with K-spar.					
605	739	Monzonite, altered and fractured with epidote, calcite and K-spar enrichment.					
		END OF HOLE.					

Drilled by Arctic Diamond Drilling Core Size BQ Logged by Darrel Johnson

COMPANY DUCANEX RESOURCES LIMITED PROPERTY GRIZZLY J.V.

Township _____ Claim No. _____

SHEET No. 1 Reference _____ HOLE No. 3

Started July 30, 1974 Location 20 + 70 N Bearing 240°

Finished Aug. 4, 1974 13 W Dip: -45 @ Collar; _____ @ _____

Depth 423 feet Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS
0	38	OVERBURDEN AND CASING					
38	52	Badly broken bedrock, no core.					
53	108	Highly altered andesite. Abundant pyrite, both fracture filling and disseminated. Much K-spar enrichment and calcite along fractures. Hematite stringers. Some bands of massive epidote, up to ¼ inch thick, encasing calcite.					
		At least three separate ages of fracture filling: 1. Calcite. 2. Epidote. 3. Hematite.					
108	141	Altered monzonite. Abundant pyrite, both disseminated and as massive fracture fillings up to ½ inch thick, associated with epidote. General increase in pyrite with depth.					
		Abundant hematite - muddy red coating on core.					
141	148	Altered andesite. Varying amounts of pyrite.					

Drilled by Arctic Diamond Drilling Core Size BQ Logged by D. Johnson

COMPANY DUCANEX RESOURCES LIMITED PROPERTY GRIZZLY J.V.

Township _____ Claim No. _____

SHEET No. 2 Reference _____ HOLE No. 3
Started _____ Location _____ Bearing _____
Finished _____ _____ Dip: _____ @ Collar; _____ @ _____
Depth _____ Elevation _____ _____

FROM	TO	DESCRIPTION	SAMPLES				ASSAYS			
			NO	FROM	TO	WIDTH	% Cu			
148	151	Contact zone, grading back to a syeno-monzonite. Up to 15% sulphides in rock, apparently all pyrite.								
151	156	Syenite, fractures and re-cemented with calcite.								
156	169	Altered andesite, very little pyrite.								
			11288	160'	170'	10'	.04			
169	170	Massive epidote, with calcite stringers Hematite and pyrite.								
170	184	Altered andesite, calcite stringers up to 1/8 inch. Occasional pyrite stringers.								
184	193	Altered monzonite. Much pyrite, hematite, calcite, epidote.								
193	195	Clay seam.								
195	196	Agglomerate with calcite on fractures.								
196	204	Altered andesite.								
204	221	Altered monzonite. Fine stringers of calcite, surrounding hematite. Fine-grained pyrite. K-spar flooding increases with depth.								

Drilled by Arctic Diamond Drilling Core Size BQ Logged by D. Johnson

COMPANY DUCANEX RESOURCES LIMITED PROPERTY GRIZZLY J.V.

Township _____ Claim No. _____

SHEET No. 3 Reference _____ HOLE No. 3

Started _____ Location _____ Bearing _____

Finished _____ _____ Dip: _____ @ Collar; _____ @ _____

Depth _____ Elevation _____ _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS % Cu	ASSAYS % Ni	ASSAYS Au/oz.
221	225.5	Rock composed of about 50% orthoclase-sugary texture, some calcite stringers. Barren.							
225.5	234	Agglomerate, with calcite, epidote, serpentine, hematite and pyrite.							
234	287	Altered porphyritic andesite. Much epidote (up to 30%). Chlorite. Calcite veins up to 1 inch wide, with hematite. Moderately magnetic. Pyrite abundant, entirely within epidote stringers.	11289	270'	280'	10'	.04		
287	290	Syenite dike, with some pyrite in epidote stringers.							
290	300	Altered andesite.							
300	303	Massive epidote. Minor pyrite.							
303	325	Altered andesite, with massive hematite, generally less sulphides than above. Badly broken.							
325	388	Altered andesite. Rich in magnetite - some blebs up to ¼ inch diameter, surrounded by epidote. Less pyrite than above.	11291	330	340	10'	.02	.01	trace
			11290	360	370	10'	.04	.01	trace

Drilled by Arctic Diamond Drilling Core Size BQ Logged by D. Johnson

COMPANY DUCANEX RESOURCES LIMITED PROPERTY GRIZZLY J.V.

Township _____ Claim No. _____

SHEET No. 4 Reference _____ HOLE No. 3

Started _____ Location _____ Bearing _____

Finished _____ _____ Dip: _____ @ Collar; _____ @ _____

Depth _____ Elevation _____

FROM	TO	DESCRIPTION	SAMPLES NO	SAMPLES FROM	SAMPLES TO	SAMPLES WIDTH	ASSAYS
325	388	Serpentine, hematite, calcite on fractures.					
(continued)							
		332' - mud seam.					
388	423	Altered andesite. Very broken. General decrease in pyrite with depth.					
		END OF HOLE.					
		Hole filled with sand from 235' to bottom, after pulling rods.					

Drilled by Arctic Diamond Drilling Core Size BQ Logged by D. Johnson

APPENDIX B

COSTS

GRIZZLY PROJECT

1.	Drilling Costs	
	Arctic Diamond Drilling	$ 38,588
2.	Transportation	
	Aircraft Charters	27,270
	Truck Rentals	1,245
3.	Wages	6,906
4.	Assays	226
		$ 74,235

APPENDIX C

STATEMENT OF QUALIFICATIONS

I, Darrel Johnson, of the Municipality of Burnaby, in the Province of British Columbia, do hereby state that:

1. I graduated from the University of British Columbia in 1970 with a B.Sc. degree in Geology.

2. I have been working in all phases of mining exploration in British Columbia for the past ten years.

3. During the past four years I have held responsible positions as a geologist with various mineral exploration companies in British Columbia.

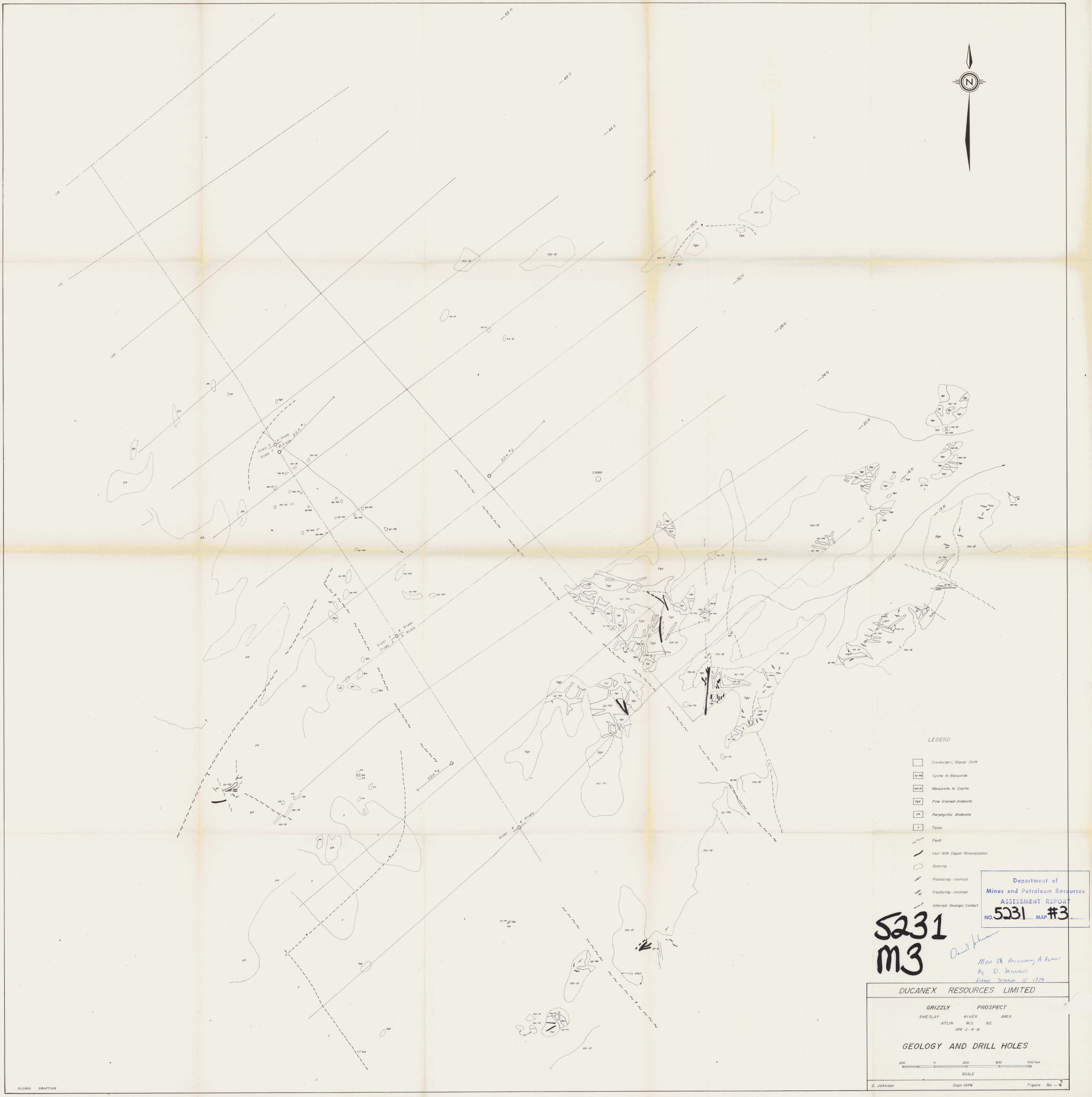
4. I am presently the geologist-in-charge of the office of Ducanex Resources Limited, at 312 - 409 Granville Street, Vancouver, B.C.

5. I personally supervised the work described in this report.

Darrel Johnson

Darrel Johnson

Vancouver, B.C.
October 15, 1974



LEGEND

- Overburden, Glacial Drift
- Syenite to Monzonite (xy-mz)
- Monzonite to Diorite (mz-di)
- Fine Grained Andesite (fgo)
- Porphyritic Andesite (po)
- Talus (t)
- Fault
- Vein With Copper Mineralization
- Outcrop
- Fracturing – Vertical
- Fracturing – Inclined
- Inferred Geologic Contact

MAP #3 Accompany A Report
By D. Johnson
Dated October 15 1974

DUCANEX RESOURCES LIMITED

GRIZZLY PROSPECT
SHESLAY RIVER AREA
ATLIN M.D. B.C.
104 J-4-W

GEOLOGY AND DRILL HOLES

200 0 200 400 600 feet
SCALE

D. Johnson Sept 1974 Figure No. 3

GLOBAL DRAFTING