

6111

REPORT ON

DIAMOND DRILLING

RED-CHRIS PROPERTY

RED,
CHRIS

Ealue Lake area, Liard Mining Division

Lat. 57° 45' N, Long. 129° 45' W

104 H/12W

Claims: Red 4-34; SUS 79, 81, 83

Owner: Silver Standard Mines Ltd., N.P.L.

Claims: CHRIS 1-24, MONEY 1-30, 32, 34, 36, 38, 40-59, 61, 63

Owner: Great Plains Development Co. of Canada Ltd.

Claims: RAF 1-6; COUGAR 1-8 Fractions; SUS NORTH, SOUTH, WEST, CHRIS NORTH; RED NORTH, SOUTH; FUN: VIRGO; CAPRICORN: TAURUS; PISCES; CANCER; SAGITTARIUS; LIBRA; GEMINI; SCORPIO; LEO; AQUARIUS; ARIES

Owner: Texasgulf Canada Ltd.

Operator: Texasgulf Inc.

Report by: C.H.B. Leitch, B.A.Sc., M. Phil.
J.M. Newell, P. Eng.

October, 1976

Vancouver, B.C.

104 H/12W

MINERAL RESOURCES BRANCH
ASSESSMENT REPORT
NO. <u>6111</u>

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SUMMARY

This report summarizes the exploration work done by Texasgulf Inc. during 1976 on the RED-CHRIS property in the Ealue Lake area of Liard Mining Division in northwest British Columbia (N.T.S.-104H/12W).

A portion of the work was claimed for assessment work credit on applications dated August 5th and August 27th, 1976.

Historical Introduction

Although mineral showings have been known for many years in the area between Ealue and Kluea Lakes, the present phase of activity began in 1969, when Great Plains Development Co. of Canada Ltd. located the CHRIS and MONEY claims. In that year, geological mapping and geochemical surveys were undertaken, and in the following season bulldozer trenching and two diamond drill holes totalling 1,015 feet were completed. A further eight diamond drill holes totalling 3,017 feet were put down in 1972.

The adjoining property to the east, comprising the RED and SUS claims, was located by Silver Standard Mines Ltd. in 1970, and in the following year that company completed geological, geochemical and geophysical surveys and excavated a total of 1,500 linear feet of bulldozer trenches. Some encouragement was obtained, but the property lay idle during 1972.

Ecstall Mining Limited, now Texasgulf Canada Ltd., became interested in the RED property as a result of a submittal of the ground

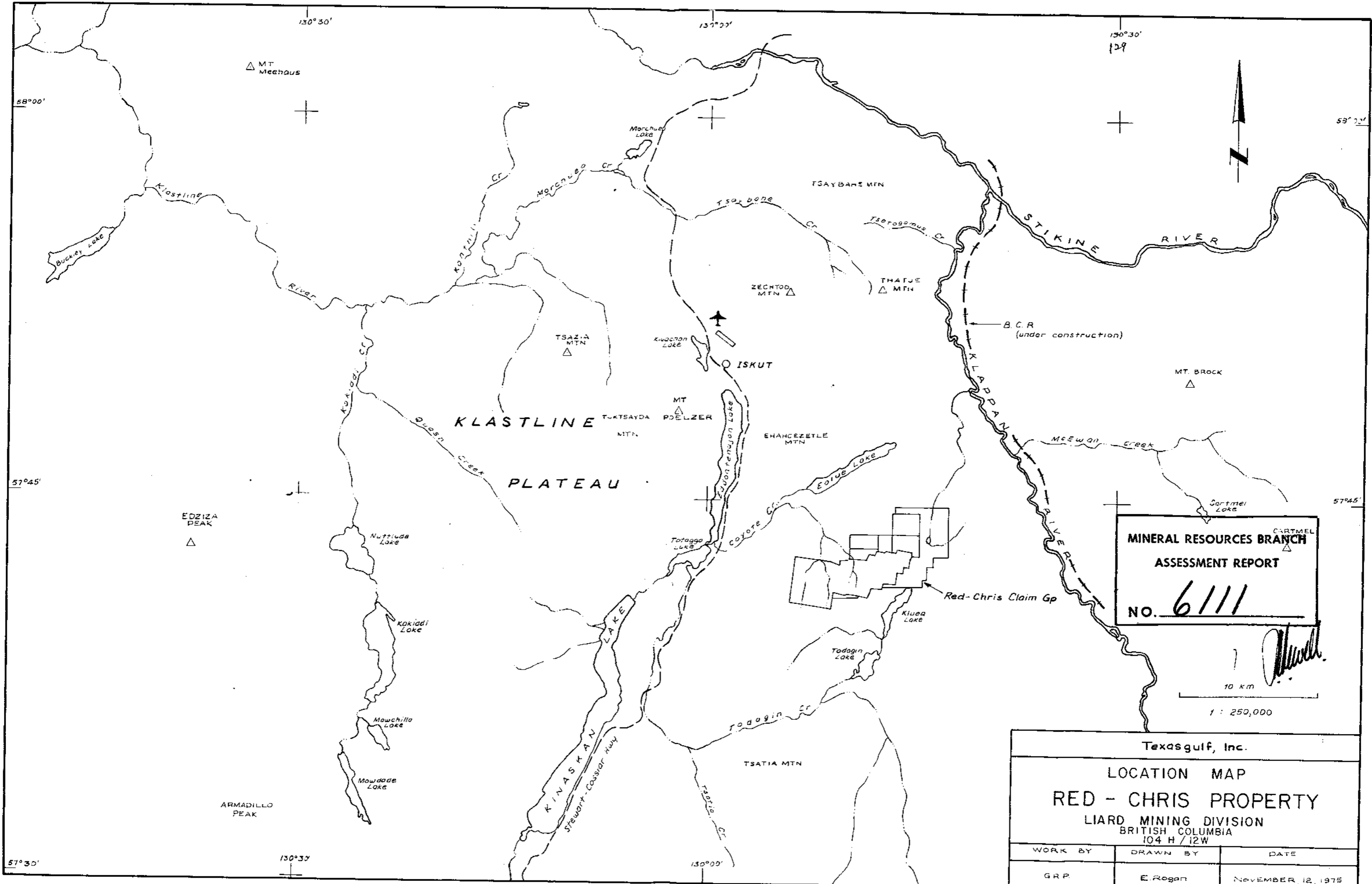
by Silver Standard for examination by Ecstall's parent company, then known as Texas Gulf Inc. Early in 1973, agreement was reached with Silver Standard for Ecstall to explore the claims, and during that season, a programme of percussion drilling totalling 3,000 feet in 14 holes was completed. Prior to this work being undertaken, Texasgulf, Inc. applied for and was issued Reclamation Permit No. MX-21, to be valid for a period of three years.

Ecstall, encouraged by their work in 1973, undertook an aggressive exploration programme in 1974. Work included diamond and percussion drilling, geological, geochemical and geophysical surveys, line-cutting and a location line survey of the core claim area. As the programme was proceeding, agreement was reached with Great Plains to explore the CHRIS property, and subsequently some work was also done on this ground.

Some additional ground was acquired by Ecstall in 1974 by location of the RAF claims, and the COUGAR fractions were staked for Ecstall at the time the location line survey was completed.

Further encouragement from results of the 1974 exploration programme led to continued investigations, mainly in the form of diamond drilling and percussion drilling, during 1975. Limited geologic mapping, line-cutting, trenching, and geophysical surveys were also completed. Some additional claims were staked and a location line survey was updated.

Encouraging results from the 1975 drilling prompted continuing investigations in 1976, mainly by diamond drilling. Some surface sampling, geological mapping, line-cutting, overburden drilling, and geophysical surveys were completed. Some additional claims were also staked.



MINERAL RESOURCES BRANCH
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10 km
 1:250,000

Texasgulf, Inc.		
LOCATION MAP		
RED - CHRIS PROPERTY		
LIARD MINING DIVISION		
BRITISH COLUMBIA		
104 H / 12W		
WORK BY	DRAWN BY	DATE
GRP	E. Rogan	NOVEMBER 12, 1975

Location, Access and Terrain

The RED-CHRIS property is located on the plateau northwest of Kluea Lake, some twelve miles south of Iskut Village (see Index Map). Access is by helicopter from Eddontenajon or via bulldozer trail proceeding southward from the B.C. Railway access road which follows Coyote Creek and the north side of Ealue Lake. This trail is, at present, suitable only for tracked vehicles.

The property covers a gently rolling upland surface, with elevations ranging from 4,000 to 5,000 feet. To the south, the ground dips steeply away to Kluea Lake. Several deeply incised, north flowing steam gullies cut the western portion of the property.

Claim Status

The mineral claims of the RED-CHRIS property, and their registered owners, are shown on the title page of this report. These claims have again been re-grouped in 1976.

The new groupings are listed below and indicated on the accompanying sketch map (Fig. 2) to conform with present information on claim post locations on the ground: (these groupings are all extant at the present time, except for the SUS 76 Group, which is to take effect on Dec. 19, 1976).

REGAN Group:

Chris 1, 3, 11-14, 21-24
Money 1, 3, 5-8, 11-18, 22, 24, 26
28, 42, 47, 48, 53, 55, 57

Cougar 5 and 8 Fractions

EALUE LAKE

3000

3500

4000

4500

3500

4500

4000

4500

5000

129°45'

57°45'

LCP

VIRGO
Tag 11484 / 22 JUNE

ZODIAC

SUS 76

SUS NORTH

CAPRICORN
Tag 11484/21 JUNE

TAURUS
Tag 11481
20 JUNE

PISCES
Tag 11477
21 JUNE

CANCER
Tag 114830

SAGITTARIUS
Tag 11432
21 JUNE

LIBRA
Tag 11468
19 JUNE

RED 75

RED NORTH

5000
SUS
SUS WEST
75

RED SOUTH

RED 16

RED 15

RED 17

RED 18

RAF 5

RAF 4

RED 4

RED 14

RED 13

RED 12

RED 11

RED 19

SUS 79

RAF 4

SUS 81

RAF 3

RED 33

RED 31

RED 5

RED 6

RED 12

RED 11

RED 10

RED 9

RED 21

RED 22

SUS 83

SCORPIO

Tag 11486
18 JUNE

ARIES

Tag 11472
19 JUNE

KLUEA

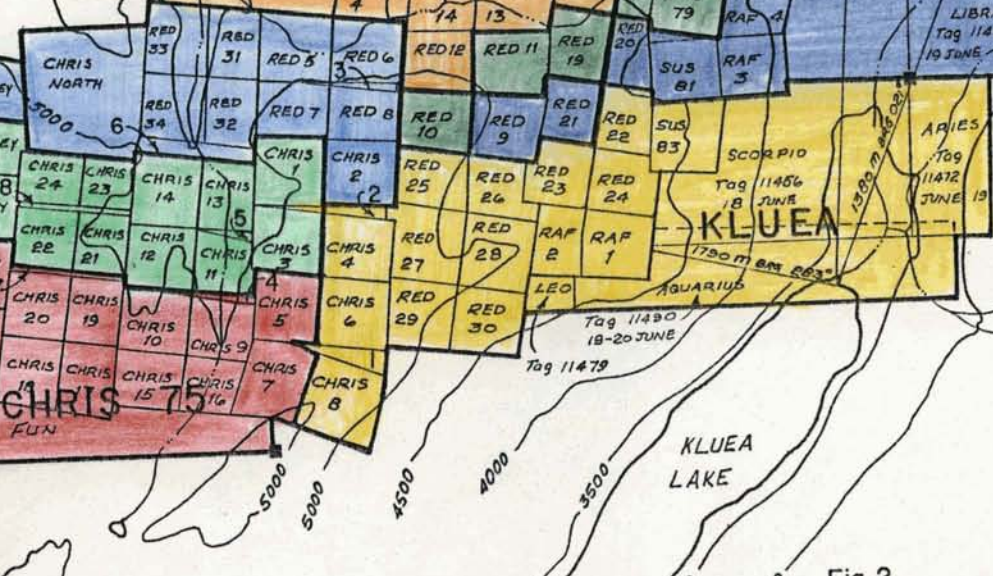
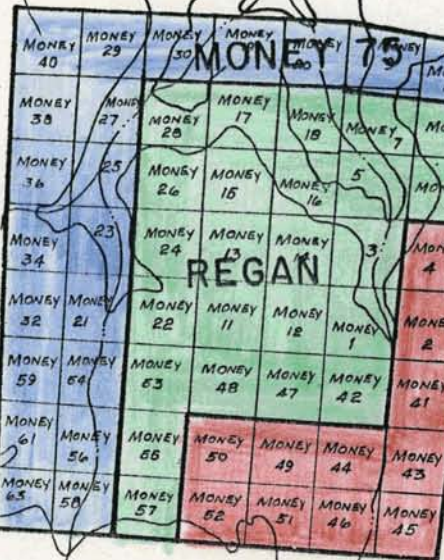
1790 m BR E33

AQUARIUS

Tag 11490
18-20 JUNE

Tag 11479

KLUEA LAKE



MINERAL RESOURCES BRANCH
ASSESSMENT REPORT

NO. 6111

CURRENT CLAIM GROUPS

- REGAN GROUP
- RED '75' GROUP
- CHRIS '75'
- MONEY '75' GROUP
- SUS '75' GROUP
- SUS '76' GROUP
- KLUEA
- ZODIAC

Fig.2
MINERAL CLAIM GROUPING SKETCH
KLUEA LAKE

SCALE 1:50,000

104H/12W

LAIRD M.D.

RED 75 Group:

Red 4, 12-17
Red North (8 Units)
Red South (8 Units)

CHRIS 75 Group:

Chris 5, 7, 9, 10, 15-20
Money 2, 4, 41, 43-46, 49-52
Fun (4 Units)
Cougar 4 and 7 Fractions

MONEY 75 Group:

Red 5-8, 31-34
Money 9, 10, 19-21, 23, 25, 27, 29,
30, 32, 34, 36, 38, 40, 54, 56, 58,
59, 61, 63

KLUEA Group:

Chris 2
Chris North (4 Units)
Cougar 3 and 6 Fractions
Cougar 1 and 2 Fractions
Chris 4, 6, 8
RAF 1, 2
Red 22 - 30
Aquarius (5 Units)
Leo (1 Unit)
Scorpio (8 Units)
Aries (2 Units)
SUS 83

SUS 75 Group:

(This group to become effective from Dec. 19, 1976):

SUS 76 Group:

SUS North (12 Units)
SUS North (12 Units)
Virgo (3 Units)
Cancer (6 Units)
RAF 5, 6
Red 10, 11, 18, 19
SUS 79

ZODIAC Group:

- Red 9, 20, 21
- SUS 81
- RAF 3, 4
- Gemini (4 Units)
- Libra (4 Units)
- Sagittarius (6 Units)
- Taurus (4 Units)
- Pisces (4 Units)
- Capricorn (12 Units)

Twelve new claims comprising 59 units were located for protection on the east flank of the Red-Chris property. The locations of these claims are shown on Fig. 2 and are listed below:-

<u>Claim</u>	<u>Location Date</u>	<u>Tag No.</u>	<u>Record #</u>	<u>Size</u>
Leo	June 19, 1976	11479	136	1 unit
Aquarius	June 19/20, 1976	11480	137	5 units
Gemini	June 18, 1976	11467	138	4 units
Scorpio	June 18, 1976	11466	139	8 units
Libra	June 19, 1976	11468	140	4 units
Aries	June 19, 1976	11478	141	2 units
Cancer	June 20, 1976	11483	142	6 units
Taurus	June 20, 1976	11481	143	4 units
Pisces	June 21, 1976	11477	144	4 units
Sagittarius	June 21, 1976	11482	145	6 units
Capricorn	June 21, 1976	11484	146	12 units
Virgo	June 22, 1976	11464	147	3 units

REVISED GEOLOGY

A small amount of mapping was undertaken in 1976, mainly around the edges of the intrusive body and in the surrounding volcanic and sedimentary rocks.

The northeast trending elongate pyritic stock intruding the Mesozoic volcanic and volcanoclastic sequence at the RED-CHRIS property is now known to be at least as old as Upper Triassic.

Logging of drill core in 1976 suggests that the stock is mainly composed of a medium grained, well altered hornblende monzonite porphyry. A subordinate, relatively unaltered and possibly slightly younger phase of hornblende syenodiorite porphyry appears to form dykes cutting both the stock and the surrounding country rocks. A third, also relatively unaltered "late barren phase" hornblende feldspar porphyry can be seen cutting off mineralized quartz-veins.

The structure of the property area is dominated as reported previously by north-east trending faults and fracture zones. These zones appear to have been operative in pre-and post-mineral times.

Also as reported previously, the stock is well pyritized and generally well altered to quartz, sericite and carbonate. Local remnants of an early albite-magnetite-biotite (chlorite + epidote) alteration are also present. Localized zones of strongly developed stockwork veining are well mineralized by early quartz-pyrite-chalcopyrite veins. These veins are cut by later pyrite-chalcopyrite fractures, carbonate veins, and occasionally by gypsum veins.

WORK COMPLETED - 1976

The exploration program conducted by Texasgulf Canada Ltd. in 1976 is outlined below (as follows):-

Geological Mapping

Outcrop areas in creek gulleys and on ridge tops, both within and outside the stock, were mapped in some detail. Attention was concentrated on detailing the boundaries of the main stock and in searching for evidence of similar mineralization in nearby stocks and dykes on the property.

Topographic Surveying

All the drill holes completed in 1976 were accurately located by McElhanney Surveying and Engineering Ltd. Most of the new claims staked were also accurately located. (The Taurus, Pisces, Cancer, Sagittarius, Gemini, Libra, Aries, Scorpio, Leo and Aquarius claims were surveyed, while the LCP for the Virgo and Capricorn claims was not surveyed.)

Grid Cutting

The existing grid was extended in 1976 to cover part of the area covered by the old Great Plains Chris grid. This work involved the cutting of two base line extensions and several cross lines totalling 27,500' or about 5 line miles.

Geophysical Survey

A limited amount of Induced Polarization was completed over a portion of the existing grid centered on the area trenched in 1975 and extending for a short distance to the west. The purpose of the survey was to account for the lack of geophysical response obtained from the previous I.P. survey over this zone. The dipole - dipole method was employed and the pot spacing was closed down to fifty feet. Results from this method show excellent chargeability definition compared to the 1975 results.

Diamond Drilling

A total of 9,701 feet of diamond drilling in 18 holes was completed during the 1976 season. Two holes drilled in 1975 were also deepened for a further total of 449 feet. Drilling was contracted to D.W. Coates Enterprises Ltd. of Richmond, B.C., and employed one Longyear 38 wireline rig recovering B.Q. core. Details regarding hole location, length, elevation, etc. are listed in a Summary of Diamond Drilling, Appendix D.

Core recovery was generally good to excellent. Copies of summarized drill logs are included as Appendix C to this report. After logging, the core was split, sampled in ten foot increments, pulverized, and a one-eighth split was shipped for assaying.

The remaining half of split core is stored at the property in sheds built for the purpose.

All drill moves were made with a John Deere 450 "Cat". Auxilliary equipment, fuel and drill core were transported by a small Bombardier tracked vehicle and at times by a helicopter.

Overburden Drilling

Overburden-drilled soil sampling has been in progress intermittently over the season. The contractor, Adcura Ltd. from Ottawa, commenced a sampling program on May 21st which continued until July 1st when work was suspended.

Soil samples were taken at bedrock and eighteen inches above bedrock over much of the eastern portion of the grid, with detailed sampling over the central portion of this area. The sample spacing interval ranged from 50' - 200'.

On August 10th, the overburden sampling program was restarted using Texasgulf personnel.

W.B. Leitch

Howell

APPENDIX A

EXPENDITURE STATEMENTS AND
APPLICATION OF COSTS
RED-CHRIS OPTION - 1976

Included in this Appendix are Interim Expenditure Statements, detailing costs of the following work:

1. Diamond Drilling completed to August 4, 1976.

These statements have been filed in support of Applications to Record Work filed on August 5 and 27th, and December 19th, 1976.

Application of the drilling costs is summarized in the following pages. The average drilling costs were derived by detailed analysis of invoices for the first 7,315 feet of drilling up to July 12, 1976. This average cost of \$21.79/foot was applied to the rest of the drilling claimed for assessment work (to 9,229 feet). The remainder of the drilling (up to 10,150 feet) has not been claimed for assessment work.

DIAMOND DRILLING

<u>HOLE</u>	<u>DEPTH</u>	<u>COST/FT.</u>	<u>APPLICATION OF COSTS</u>	
DDH 23-C75	798-1166' (368')	\$21.79	Not reported	\$ 8,018.72
49-C75	697-778' (81')	\$21.79	Not reported	1,764.99
50-R76	708'	\$21.79	Red 10	15,427.32
51-R76	668'	\$21.79	Red 10	14,555.72
52-R76	704'	\$21.79	Red 9	15,340.16
53-R76	617'	\$21.79	Red 9	13,444.43
54-R76	156'	\$21.79	Red 9	3,399.24
55-R76	777'	\$21.79	Red 9	16,930.83
56-R76	528'	\$21.79	Red 9	11,505.12
57-R76	778'	\$21.79	Red 9	16,952.62
58-R76	778'	\$21.79	Red 10	16,952.62
59-C76	258'	\$21.79	Chris 2	5,621.82
	180'	\$21.79	Red 25	3,922.20
60-R76	348'	\$21.79	Red 25	7,582.92
61-C76	438'	\$21.79	Chris 9	9,544.02
62-R76	58'	\$21.79	Red 25	1,263.82
63-R76	238'	\$21.79	Red 25	5,186.02
64-R76	578'	\$21.79	Red 25	12,594.62
65-R76	528'	\$21.79	Red 25	11,505.12
66-C76	808'	\$21.79	Chris 2	17,606.32
67-C76	558'	\$21.79	Not reported	12,158.82

\$221,277.45

Footage Completed	10,150
Cost	\$221,277.45
Mean Cost/Foot	\$ 21.79



ASSESSMENT WORK SUMMARY

	<u>COST</u>	<u>WORK APPLIED FOR</u>
Diamond Drilling	\$221,277.45	\$120,100.00

DERIVATION OF DRILLING COSTS
 RED-CHRIS OPTION
 1976 DRILLING PROGRAMME

Direct Drilling Costs

	<u>Cost</u>	<u>Cost/foot</u>
Invoiced by D.W. Coates Enterprises Ltd. 7315' drilling completed to July 12, 1976 as per contract.	\$88,156.14	\$12.05

Supervision, Logging & Support: Salaries & Benefits

J. R. Forsythe, Senior Geologist May 17-July 12. 45 days @ \$100.00	\$ 4,500.00	
G. R. Peatfield, P. Eng., Senior Geologist June 4-July 12. 9 days @ \$110.00	990.00	
C. H. B. Leitch, Geologist May 20-July 12, 48 days @ \$60.00	2,880.00	
T. M. Elliott, Geologist May 20-July 12, 50 days @ \$55.00	2,750.00	
J. M. Newell, P. Eng., District Manager June 10-July 12, 13 days @ \$140.00	1,820.00	
D. S. Brand, Bombardier Driver/First Aid Man May 17-July 12, 48 days @ \$50.00	2,400.00	
L. A. McJannett, Senior Assistant July 1-12, 8 days @ \$40.00	320.00	
J. F. Gaspard, Junior Assistant June 3-July 12, 36 days @ \$30.00	1,080.00	
S. C. Bartlett, Junior Assistant May 20-July 12, 50 days @ \$30.00	1,500.00	
TOTAL	\$18,240.00	\$2.49


Helicopter Support

Bell 206-B helicopter. 107.8 hours @ \$300.00/hour 70% flown in support of drilling programme.	\$22,650.00	\$3.10
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<u>Other Support Costs</u>	<u>Cost</u>	<u>Cost/foot</u>
Camp costs, field office supplies, etc.	\$19,192.47	
Bombardier rental (1-1/2 months)	2,100.00	
Shipping, Travel, etc.	8,106.94	
Communications, radio, etc.	1,639.07	
Equipment	<u>4,676.02</u>	
	\$35,714.50	
85% applicable to drilling programme	\$30,357.32	\$4.15
		<u>\$21.79</u>
All up cost per foot of drilling		<u>\$21.79</u>

Cost of \$21.79/foot for 7315 feet of drilling completed to July 12, 1976 has been applied to all drilling (9229') completed to July 28, 1976, but for which all invoices have not yet been received.

July 30, 1976


 J. M. Newell, P. Eng.

Personnel employed by Texasgulf Inc. on the project during 1976 are listed below:

<u>NAME</u>	<u>CAPACITY</u>	<u>DATES</u>	<u>DAILY RATE OF COMPENSATION</u>
J.R. Forsythe	Project Geologist	Jan. 1 - May 15 (project planning) : 78 days	\$100.00
		May 15 - Sept. 28 (field work) : 119 days	
G.R. Peatfield P. Eng.	Geologist	Jan. 1 - May 15 (project planning) : 11 days	\$110.00
		May 15 - Sept. 28 (field work) : 15 days	
J.M. Newell P. Eng.	District Manager	Jan. 1 - May 15 (project planning) : 9 days	\$140.00
		May 15 - Sept. 28 (field work) : 14 days	
C.H.B. Leitch	Geologist	April 5 - May 15 (project planning) : 25 days	\$ 60.00
		May 15 - Sept. 28 (field work) : 104 days	
T.M. Elliot	Geologist	May 1 - May 15 (project planning) : 6 days	\$ 55.00
		May 15 - Sept. 28 (field work) : 98 days	
E.A. Schink	Geologist	May 15 - Sept. 28 (field work) : 22 days	\$ 52.50
A.T. Armstrong	Draughtsman	Jan. 1 - Sept. 28 (field work) : 4 days (draughting) : 135 days	\$ 45.00
W. Gasteiger	Geophysicist	May 15 - Sept. 28 (geophysics) : 9 days	\$ 90.00
A. Rotenberg	Assistant	May 15 - Sept. 28 (geophysics) : 9 days	\$ 40.00

<u>NAME</u>	<u>CAPACITY</u>	<u>DATES</u>	<u>DAILY RATE OF COMPENSATION</u>
F. Handel	Carpenter	May 15 - Sept. 28 (16 days)	\$ 50.00
D. Fleming	Cook's Helper	June 1 - Aug. 31 (56 days)	\$ 25.00
R. Schmitt	Field Assistant	May 15 - Sept. 28 (7 days)	\$ 36.00
D. Donnelly	Geologist	May 15 - Sept 28 2 days	\$ 45.00
D. Brand	Bombardier Driver	May 15 - Sept. 28 (108 days)	\$ 50.00
D. Quock	Linecutter	9 days	\$ 45.00
D. Dennis	Linecutter	16 days	\$ 45.00
S. Bartlett	Core Splitter	May 15 - Aug. 31 (100 days)	\$ 30.00
J. Gaspard	Core Splitter	June 1 - Sept. 4 (92 days)	\$ 30.00
L. McJannett	Camp Foreman	May 15 - Sept. 28 (22 days)	\$ 40.00

In addition to Texasgulf Inc. personnel, contractors were engaged on the property as follows:

D.W. Coates Enterprises Ltd.	4 men	June 6 - July 6 July 20 - Aug. 5
	Cook	May 25 - Sept. 2 (93 days)

Handwritten signature

Bear-X Mining
& Exploration
Services Ltd.

R. Barclay

May 15 - Sept. 28 :

8 days

I. Johnson

Linecutting,
Overburden
sampling

38 days

J. Baird

Linecutter

7 days

J. Marin utti

Linecutter

8 days

Adcura Limited

May 15 - Sept. 28 :

(Overburden Sampling)

D. Briand

Runner

May 20 - June 2
(14 days)

M. Paige

Runner

May 20 - June 9
(21 days)

R. Bureau

Helper

May 26 - June 9
(15 days)

S. Mercier

Helper

May 26 - June 28
(34 days)

R. Lecoursiere

Runner

June 5 - Aug. 10
(30 days)

J. Mercier

Runner

June 19 - June 26
(8 days)

R. Perron

Helper

June 19 - July 1
(13 days)

McElhanney Surveying
& Engineering Ltd.

N. Bennett

Aug. 10 - Aug. 13
(3 days)

I. Hickman

3 days

APPENDIX B:

DIAMOND DRILL CONTRACT

THIS AGREEMENT made this 5th day of March, 1976:

BETWEEN:

TEXASGULF INC.,
701 - 1281 West Georgia Street
Vancouver, B. C.

(hereinafter referred to as
"The Company")

OF THE FIRST PART:

AND:

D. W. COATES ENTERPRISES LTD.,
256A Simpson Road
Richmond, B. C. V6X - 2P9

(hereinafter referred to as
"The Contractor")

OF THE SECOND PART:

WHEREAS the Company has requested the Contractor to complete a minimum of 5,000 feet of drilling and other services as herein set forth, on the property of the Company in the Eddontenajon area in the Province of British Columbia.

AND WHEREAS the Contractor has agreed to do the said diamond drilling and to perform the other services requested upon the terms, conditions and provisos herein contained.

NOW THEREFORE, this Agreement Witnesseth that in consideration of the payment of the amounts herein stipulated and of the mutual covenants hereinafter contained, the parties hereto agree as follows:

SCHEDULE OF RATES - CORING

THAT the Company hereby employs the Contractor to drill on the said property a series of bore holes using a BQ core barrel producing a core of approximately 1 7/16 inches. The Company agrees to pay the Contractor on a footage basis for all drilling according to the following schedule of rates:

<u>From</u>		<u>To</u>	<u>Price/Foot</u>
0	-	500' in depth	\$10.10
500'	-	1000' in depth	\$11.10
1000'	-	1500' in depth	\$12.25

It is understood that measurement of all bore holes shall be from the top of the casing or stand pipe as the case may be.

OVERBURDEN

THAT the Company agrees to pay for casing or stand pipe for the first 100 feet in any hole according to the following schedule of rates:

<u>From</u>		<u>To</u>	<u>Price/Foot</u>
0	-	25' in depth	\$10.00
25'	-	50' in depth	\$10.60
50'	-	100' in depth	\$12.75
100'	- plus		Field Cost

The Company further agrees that in the event that casing or stand pipe on any hole exceeds 100 feet, then charges for casing or stand piping on that hole shall be charged on a field cost basis from 100 foot depth to bedrock.

Whenever pipe or casing is lost, or left in a hole on the instructions of the Company's engineer, the Company agrees to pay for said casing or pipe at prices F.O.B. drill site plus fifteen percent.

The Company further agrees to compensate the Contractor at the rate of \$.80 per foot of casing employed for that portion of the hole completed on a field cost basis. Said amount per foot to compensate for the wear and tear on the casing.

MOVING BETWEEN HOLES - SETTING UP - TEARING DOWN

THAT the Contractor agrees that the above schedule of rates includes the first 20 man hours employed tearing down, moving between holes and setting up the drill. Hours employed moving greater than 20 man hours will be charged on a field cost basis.

The Contractor agrees to place a tractor on the job to facilitate moving between drill site, at the rate of \$1000.00 per month plus fuel, oil, greases and running repairs.

WATER SUPPLY

THAT the Company agrees that the above schedule of rates is deemed to include laying, maintaining and removing waterlines up to a distance of 1200 feet and/or a vertical lift of 200 feet.

Should the distance be greater than 1200 feet and/or the lift greater than 200 feet, then the laying maintaining and removing of the waterlines will be charged on a pro-rata basis: the above distances to the Contractor's account and the "over" to the Company's account on a field cost basis.

TRANSPORTATION

THAT the Contractor agrees to move his men, equipment and supplies from his base to truck unload point and return from load point to base for the lump sum of \$1500.00.

The movement of men, equipment and supplies from truck unload point to first drill site and from last hole to load point will be charged on a field cost basis.

The Company would supply a helicopter for the mobilization, demobilization and for continuing men and supplies, as the job progresses, at no cost to the Contractor.

ACID TESTS

THAT the Contractor agrees to take acid tests at the depths as instructed by the Company's engineer. Such tests will be charged at the rate of three feet of drilling at the depth the tests were taken.

DRILLING WITH MUD

THAT it is mutually agreed that should mud be required to penetrate the overburden and/or aid in core recovery while core drilling, such mud employed will be charged on a cost at job site basis, plus fifteen percent.

Time employed mixing mud and stabilizing the drill hole would be charged on a field cost basis.

CEMENTING

THAT the Company agrees to pay the Contractor for the cementing of bore holes to stop cave-ins on an operating field cost basis.

Waiting for cement to set would be charged on a non-operating field cost basis.

TRAVELLING TIME

THAT the Company agrees that should the time required to walk from the camp to the drill site and return per shift be greater than one-half hour, then that "over" will be recovered on a field cost basis.

REAMING AND CASING

THAT the Company agrees that all reaming and casing that is necessary to stop cave-ins or maintain the return flow of water shall be completed at the Company's request and that the cost of performing such reaming and placing of such casing as may be required will be charged on a field cost basis.

Casing would be charged at the rate of \$.80 per reamed foot.

DIRECTIONAL AND CONTROLLED DRILLING

THAT it is mutually agreed that directional drilling to change the direction of a bore hole and controlled drilling to maintain the angle of a bore hole shall not be part of this agreement.

SECURITY

THAT the Contractor will not give out any information regarding drill results or access to core to any person other than to the Company's representative.

BOARD AND LODGING

THAT the Company agrees to supply suitable board and lodging for the Contractor's crews at no cost to the Contractor.

CORE BOXES

THAT the Company agrees to pay the Contractor \$4.50 per box and \$1.30 per lid, supplied at their request.

CORE SPLITTER

THAT the Contractor agrees to supply a core splitter if requested, at the rate of \$30.00 per month.

DRILLING SITES

THAT the Contractor agrees to case and drill on the sites and at angles and azimuths selected by the Company representative and to follow the instructions of the said representative relating to place and time of drilling.

FIELD COSTS

THAT the Company agrees that the following rates shall apply when certain work as defined in this contract is performed on a field cost basis. "Field Cost" is defined as all direct labour, including supervision, drill and support equipment per hour, and cost of pipe or casing lost, diamond loss, and materials and supplies consumed in this work.

Operating Field Costs:

Labour.....	\$13.00 per man hour
Drill.....	\$ 9.00 per hour
Pump.....	\$.90 per hour
4 x 4 Truck (when applicable).....	\$ 7.00 per hour
Mud Mixer (when applicable).....	\$.65 per hour
Materials Consumed.....	Cost at job site plus 15 percent.

Note: No charge is made for drill or pumps when mobbing or demobbing and moving between holes.

Non-Operating Field Costs: (Maximum 8 hrs. per day)

Labour.....	\$12.00 per man hour
Drill - pumps, etc.....	\$ 5.50 per hour

PAYMENTS

THAT the Company agrees to make payments at the rates hereinbefore specified in accordance with the terms hereinafter set out, that is: For all work done hereunder between the first and 15th day of and the

16th and last day of the month, payment shall be due and payable in 15 days. Interest at a rate of twelve percent per annum shall be added to all accounts more than thirty days overdue, from date of invoice. These payments shall be made as the work progresses in conformity with the Contractor's semi-monthly invoices.

RIGHTS - OF - WAY

THAT the Company agrees at its own expense to provide all rights-of-way, all rights of ingress and egress and all real property that may be required in connection with said work, including real property upon which all necessary temporary buildings may be erected, and other facilities required, and shall also warrant the quiet and peaceful possession of all such real property and shall save the Contractor harmless from any and all damages, claims, demands, costs or charges of whatever kind or character incident to the occupation of said real property.

CAVED OR BROKEN GROUND

THAT in the event cavities or loose and caving materials are encountered of a nature as to prevent the successful completion of any hole, the Contractor does not, under such conditions, guarantee to drill to a predetermined depth and in the event that it becomes necessary to abandon the hole, the Company agrees to pay for such incompletes holes at the rates herein specified for all footage completed.

In the event it becomes necessary to resort to cementing, reaming or casing, the Company agrees to reimburse the Contractor to the extent of field cost.

ENVIRONMENT

THAT during the course of the work, the Contractor shall at all times keep the client's premises free from accumulation of waste material or rubbish and upon completion of the work shall remove all tools, scaffolding and surplus material and leave the premises in a clean condition. The Contractor shall observe and comply with all applicable Federal and Provincial laws, regulations and orders relating to prevention of forest fires and sanitation in the bush.

COMPENSATION

THAT the Contractor agrees that the men employed by him in the performance of this contract shall be fully covered under the Worker's Compensation laws according to the Province of British Columbia and will keep such men covered and will pay the assessment required and will protect the Company from any action arising therefrom, excluding however, claims arising out of any negligent act or omission of the Company, its servants or agents.

ESCALATION

THAT both the Contractor and Company appreciate the inflationary forces that are prevalent and active to-day. It is thus agreed that the above schedules include: (1) the labour rates that are in effect as at April 1, 1976 and (2) the costs for diamonds, rods, casing and fuel as of February 15, 1976.

Should there be any marked increase in (2), then it is agreed that the schedule of rates would be adjusted to compensate for such increases.

INSURANCE

THAT the Contractor, during the entire term of this agreement, will keep in full force and effect a policy of public liability and property damage insurance with respect to the work undertaken in this agreement, in the amount of \$500,000 for any one accident.

The insurance shall be with an insurance company duly licensed to do business in the Province of British Columbia.

RIGHT OF CANCELLATION

THAT the Contractor reserves the right to cancel this contract should its fulfillment be rendered impossible by:

(a) War, invasion, insurrection, riot, the order or regulations of any civil or military authority, or by strikes, lockouts, or labour disputes, whether in or in the neighbourhood of the Contractor's plant or of that of any supplier of materials necessary for the completion of the contract.

(b) The inability to obtain essential materials and supplies due to priority restriction.

(c) The inability to secure labour due to restrictions or causes beyond the Contractor's control, and the Contractor shall not be liable for any loss or damage directly or indirectly suffered by the Company by reason of exercise of such right of cancellation.

THAT it is mutually agreed that this agreement shall be binding upon and enure to the benefit of the parties hereto, their respective successors and permitted assigns, but shall not be assignable by

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either party without the consent in writing of the other party first had and obtained.

THAT it is further agreed that this agreement and any dispute arising hereunder shall be interpreted and determined in accordance with the laws of the Province of British Columbia.

THAT any notice required to be given hereunder shall be properly given if mailed by registered letter addressed to the Company as follows:

Texasgulf Inc.,
701 - 1281 West Georgia Street
Vancouver, B. C.

or to the Contractor by registered letter addressed as follows:

D. W. Coates Enterprises Ltd.,
256A Simpson Road
Richmond B. C. V6X - 2P9

IN WITNESS WHEREOF these presents have been executed by the parties
hereto the day and year first above written:

SIGNED, SEALED and DELIVERED
in the presence of:

TEXASGULF INC.

J. D. Munnard
Regional Mgr.

D. W. COATES ENTERPRISES LTD.

D. W. Coates
R. J. Army

APPENDIX C:

DIAMOND DRILL CORE LOGS

APPENDIX E:

STATEMENT OF QUALIFICATIONS.

J.R. Forsythe
C.H.B. Leitch
T.M. Elliot

APPENDIX D:

DIAMOND DRILLING SUMMARY

DRILL HOLE No.	CO-ORDINATES		ELEV.	AZIMUTH	DIP	DEPTH	OVER- BURDEN
	N	E					
DDH 23-C76	56,529	38,221	5386'	180°	-45°	#798'-1166'	22'
DDH 49-C76	55,971	38,619	5367'	225°	-45°	#697'-778'	22'
DDH 50-R76✓	56,969	40,224	5316'	180°	-45°	708'	22'
DDH 51-R76✓	57,055	40,428	5305'	180°	-45°	668'	14'
DDH 52-R76✓	57,222	40,822	5284'	180°	-45°	697'	25'
DDH 53A-R76	57,242	41,425	5215'	180°	-45°	119'	20'
+ DDH 53B-R76	57,242	41,425	5215'	180°	-44°	53'-498'	20'
DDH 54-R76	57,031	41,017	5243'	180°	-45°	156'	13'
DDH 55-R76✓	57,544	41,428	5240'	180°	-45°	777'	15'
DDH 56-R76✓	57,265	41,219	5246'	180°	-45°	498'	45'
DDH 57-R76	57,565	41,026	5284'	180°	-45°	778'	23'
DDH 58-R76✓	57,493	40,628	5304'	180°	-45°	778'	23'
DDH 59-R76	55,862	39,241	5338'	180°	-45°	438'	13'
DDH 60-R76✓	55,918	39,620	5325'	180°	-45°	348'	28'
DDH-61-C76	x53,860	x35,600	x5182'	180°	-40°	438'	23'
DDH 62-R76✓	55,509	40,225	5242'	360°	-45°	58'	30'
DDH 63-R76	55,509	40,225	5242'	--	-90°	238'	30'
DDH 64-R76	56,634	39,822	5332'	180°	-45°	578'	37'
DDH 65-R76	56,387	39,423	5343'	180°	-60°	523'	23'
DDH 66-R76	56,036	38,422	5368'	180°	-45°	808'	30'
DDH 67-R76✓	55,774	38,432	5377'	180°	-45°	558'	22'

Total Footage Drilled = 10,150' BQ Wireline

* Elevation Not Surveyed

Deepening of 1975 Holes

+ Drilled From Same Site as 53A

x Approximate Coordinates Only

APPENDIX D:

DIAMOND DRILLING SUMMARY

J.R. FORSYTHE - Project Geologist

J.R. Forsythe obtained his B.Sc. degree in Geology from the University of British Columbia in 1968. He has been continuously employed as a geologist, by Texasgulf Inc. since 1969 and has broad experience in porphyry copper exploration in B.C. and the Yukon Territory.

C.H.B. LEITCH - Geologist

C.H.B. Leitch obtained a B.Sc. (Eng.) degree in Geological Engineering at Queen's University in 1971, and received an M. Phil. degree in Mining Geology at Imperial College in London in June 1975. He has worked for Newmont Mining Corp. in B.C. and the Yukon Territory, Kennecott Explorations Pty. in Australia, and Getty Mines Ltd. in B.C. and Alberta before joining Texasgulf's temporary staff for the summer of 1976.

T.M. ELLIOT - Geologist

T.M. Elliot received a B.Sc. degree in Geology in 1967 from the University of British Columbia, and an M.S. in Economic Geology from Stanford University in California in 1973. Since 1965, he has worked for Coast Range Explorations and Cominco in B.C., for the B.C. Dept. of Mines in south-central B.C., and for Amax in Montana and Washington. He joined Texasgulf Inc.'s temporary staff for the summer of 1976.

A handwritten signature in cursive script, likely reading "Allwell", is located in the lower right quadrant of the page.

TABLE OF CO-ORDINATES

Table with columns: HOLE NO., NORTH, EAST, ELEV., and DESCRIPTION. Lists coordinates for various holes including Diamond Drill Holes (1975) and Percussion Drill Holes (1975).

TABLE OF CO-ORDINATES

Table with columns: STATION, NORTH, EAST, ELEV., and DESCRIPTION. Lists coordinates for various stations including Control Stations, Traverse Stations, and Photo Transfer points.

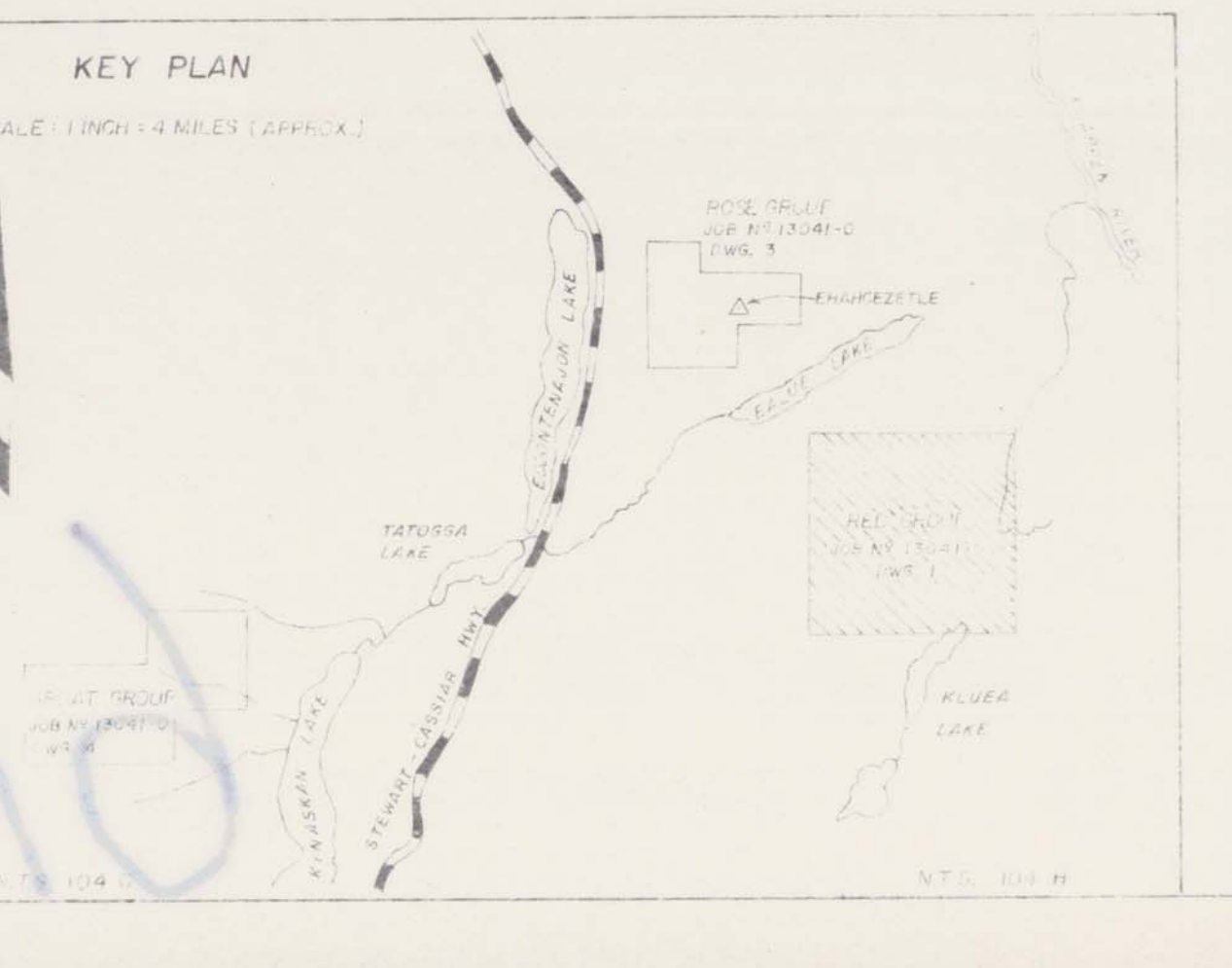
TABLE OF CO-ORDINATES. A smaller table listing station coordinates and descriptions, including notes on casing and collar locations.

PERCUSSION DRILL HOLES. Table listing hole numbers, coordinates, and descriptions for percussion drill holes.

DIAMOND DRILL HOLES. Table listing hole numbers, coordinates, and descriptions for diamond drill holes.

NEW CONTROL 1975. Table listing station numbers, coordinates, and descriptions for new control points.

LEGEND. A list of symbols and their corresponding descriptions for various features on the map, such as control stations, photo transfer points, and casing locations.



MINERAL RESOURCES BRANCH ASSESSMENT REPORT. A form containing project details, including the report number (6111), map number (1), and the name of the assessor (C.H.B. Leitch & J.M. Newell).

TEXASGULF INC. KLUEA LAKE B.C. LOCATION LINE AND DRILL HOLE SURVEY OF RED AND CHRIS GROUP MINERAL CLAIMS - LARD MINE DIVISION. A form with a grid for recording survey data, including hole numbers, dates, and elevations.

6111. A large handwritten number in the bottom right corner of the page.



TABLE OF CO-ORDINATES				
STATION	NORTH	EAST	ELEV.	DESCRIPTION
IP 5501	50948.84	36955.06		NR 2 LOC. CHRIS 7 & 8
5502	50960.00	36510.00	5106.2	CONTROL STATION
5503	54988.07	44419.93		CONTROL STATION
5504	54549.24	45896.89	5282.8	CONTROL STATION
5505	42305.33	44310.61		TRAVERSE STATION
5510	50753.76	33429.44		CONTROL STATION
HUB 5511	57673.48	38675.16		CONTROL STATION
5512	62346.50	44316.21		CONTROL STATION
IP 5514	52448.99	37354.23		NR 1 LOC. P. CHRIS 7 & 8
				NR 2 LOC. P. CHRIS 5 & 6
IP 5515	94026.87	37501.33		WT IP
IP 5516	55467.72	37693.10		NR 1 LOC. P. CHRIS 3 & 4
				NR 2 LOC. P. CHRIS 1 & 2
5517	55788.23	38010.00		HUB 1/2 END OF TRENCH
IP 5518	57016.91	37842.41		NR 1 LOC. P. CHRIS 7 & 8
IP 5519	56886.60	37807.06		NR 2 LOC. P. CHRIS 7 & 8
IP 5520	57627.25	38250.87		CONTROL STATION
IP 5521	58028.92	40781.64		NR 1 LOC. P. RED 11 & 12
				NR 2 LOC. P. RED 9 & 10
				NR 3 LOC. P. RED 7 & 8
				NR 4 LOC. P. RED 5 & 6
				NR 5 LOC. P. RED 3 & 4
				NR 6 LOC. P. RED 1 & 2
IP 5525	61131.00	33335.84		NR 1 LOC. P. RED 3 & 4
IP 5526	61988.86	41445.15		NR 2 LOC. P. RED 13 & 14
IP 5527	60827.39	41147.40		NR 1 LOC. P. RED 15 & 16
				NR 2 LOC. P. RED 13 & 14
IP 5528	59395.02	40885.50		NR 2 LOC. P. RED 11 & 12
IP 5529	51652.28	31507.48		NR 1 LOC. P. CHRIS 19 & 20
IP 5530	55043.33	31690.40		NR 2 LOC. P. CHRIS 17 & 18
				NR 3 LOC. P. CHRIS 19 & 20
IP 5531	54635.17	31950.46		NR 2 LOC. P. CHRIS 19 & 20
				NR 3 LOC. P. CHRIS 21 & 22
IP 5532	56190.23	32244.05		NR 2 LOC. P. CHRIS 21 & 22
IP 5533	37041.22	32445.10		NR 1 LOC. P. CHRIS 23 & 24
IP 5534	20461.80	34164.80		NR 2 LOC. P. CHRIS 23 & 24
IP 5535	52644.79	34588.96		NR 1 LOC. P. CHRIS 25 & 26
				NR 2 LOC. P. CHRIS 23 & 24
IP 5536	54149.02	34105.75		NR 2 LOC. P. CHRIS 25 & 26
				NR 3 LOC. P. CHRIS 23 & 24
HUB 5537	55644.37	34990.65		NR 2 LOC. P. CHRIS 11 & 12
IP 5538	54168.25	42932.58		NR 2 LOC. P. REF. 1 & 2
IP 5539	55689.33	43112.41		NR 1 LOC. P. REF. 1 & 2
HUB 5540	57136.16	43382.31		NR 1 LOC. P. REF. 23 & 24
				NR 2 LOC. P. REF. 21 & 22
5541	58776.93	43278.42		HUB 1/2 END OF TRENCH
IP 5542	58559.43	43588.86		NR 1 LOC. P. REF. 21 & 22
				NR 2 LOC. P. REF. 19 & 20
IP 5543	61355.44	43246.04		NR 2 LOC. P. REF. 17 & 18
IP 5544	59229.28	40489.34		NR 2 LOC. P. REF. 27 & 28
				NR 3 LOC. P. REF. 25 & 26
5545	53988.21	40628.81		TRAVERSE STATION
5546	58695.79	34008.53		CONTROL STATION
5547	59172.14	34023.03		CONTROL STATION
5548	57106.96	35094.68		TRAVERSE STATION
IP 5549	58842.09	35201.61		NR 1 LOC. P. REF. 33 & 34
				NR 2 LOC. P. REF. 31 & 32
5550	58442.05	36060.26		TRAVERSE STATION
IP 5551	58594.68	36616.26		NR 1 LOC. P. REF. 31 & 32
IP 5552	53886.70	40293.08		NR 2 LOC. P. REF. 29 & 30
				NR 3 LOC. P. REF. 27 & 28
IP 5553	53190.11	40323.04		TRAVERSE STATION
HUB 5554	61851.47	44868.16		TRAVERSE STATION
IP 5555	61341.52	44156.59		NR 1 LOC. P. REF. 17 & 18
				NR 2 LOC. P. REF. 17 & 18
HUB 5556	60022.08	43899.81		NR 2 LOC. P. REF. 19 & 20
				NR 3 LOC. P. REF. 17 & 18
5557	62025.09	43630.77		NR 2 LOC. P. REF. 19 & 20
5558	62926.50	43373.08		NR 1 LOC. P. REF. 15 & 16
IP 3302	50301.02	36423.93		L.C.P. CHRIS SOUTH
IP 3304	65766.20	44144.44		L.C.P. SUS GROUPS
IP 3307	53813.06	34343.37		L.C.P. CHRIS NORTH
IP 3308	62821.91	40994.64		L.C.P. REF. GROUP

POST	NORTH	EAST	DESCRIPTION
L.C.P. "X"	54346.67	42706.21	AQUARIUS AND LEO
L.C.P. "W"	57161.21	50120.53	MINERAL LIBRA, SCORPIO & ARIES
L.C.P. "C"	65700.40	52,834.15	TAURUS, GEMINI, CANCER AND SAGITTARIUS

LEGEND

- LCP DENOTES LEGAL CORNER POST
- + DENOTES NR 1 OR NR 2 LOCATION POST
- IP 5542 DENOTES IRON POST WITH NUMBERED ALUMINUM IDENTIFICATION TAG WELDED TO IT
- + DENOTES IRON POST MARKING LOCATION POST POSITION
- ▲ 5503 DENOTES CONTROL OR TRAVERSE STATION

ORIGIN OF CO-ORDINATES IS CONTROL STATION 5500 WHOSE VALUE OF 50,940 N & 36,510 E WAS SCALED FROM SHEET 1 OF McELHANNETT'S PRELIMINARY RECONNAISSANCE MAPPING JOB NO. 0005-0.

ELEVATIONS ARE BASED ON ABOVE MAPPING DATUM AND DERIVED FROM CONTROL STATION 5504 WHOSE ELEVATION IS 5285.2.

BEARINGS HAVE BEEN DERIVED FROM RESECTION ANGLES FROM EXISTING TOPOGRAPHICAL STATIONS THE POINT OF OBSERVATION BEING STATION 5501.

DISTANCES ARE OBTAINED BY HP 3800 DISTANCE MEASUREMENTS AND CONVENTIONAL STEEL TAPE METHODS.

6111
Map 2

To accompany
Report on Diamond Drilling
RED-CHRIS PROPERTY
Eaton Lake area, Lard Mining Division
by
C.H.B. Letch & J.N. Newell

REV.	DATE	REVISION	BY	CHK.	APP.

TEXASGULF INC. KLUEA LAKE B.C.

LOCATION LINE OF RED, CHRIS AND SUS GROUP
MINERAL CLAIMS - LARD MINING DIVISION.

McELHANNETT ASSOCIATES
PROFESSIONAL LAND SURVEYORS
Vancouver, B.C.

DESIGNED BY	SCALE
J.M.	1" = 800'
CHECKED BY	DATE
J.M.	OCTOBER, 1975
APPROVED BY	JOB NO.
J.M.	1341-0
CLIENT DWG. NO.	CLASSIC DWG. NO.
	1041-0-2

Ass. Rpt # 6111