

R E P O R T   O N  
PERCUSSION DRILL PROGRAM

ON THE

ELSIE GROUP OF MINERAL CLAIMS  
Owned by William Makowichuk

Located East of Manson Creek, B. C.

Omineca Mining Division

Lat.  $55^{\circ} 36'$

Long.  $124^{\circ} 22'$

FOR

AZURE RESOURCES LTD.

By: James R. Glass, P. Eng.

September 5, 1979.

|   |
|---|
| MINERAL RESOURCES BRANCH<br>ASSESSMENT REPORT<br><b>7445</b><br>NO. |
|---|

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APPENDIX A

DRILL LOGS

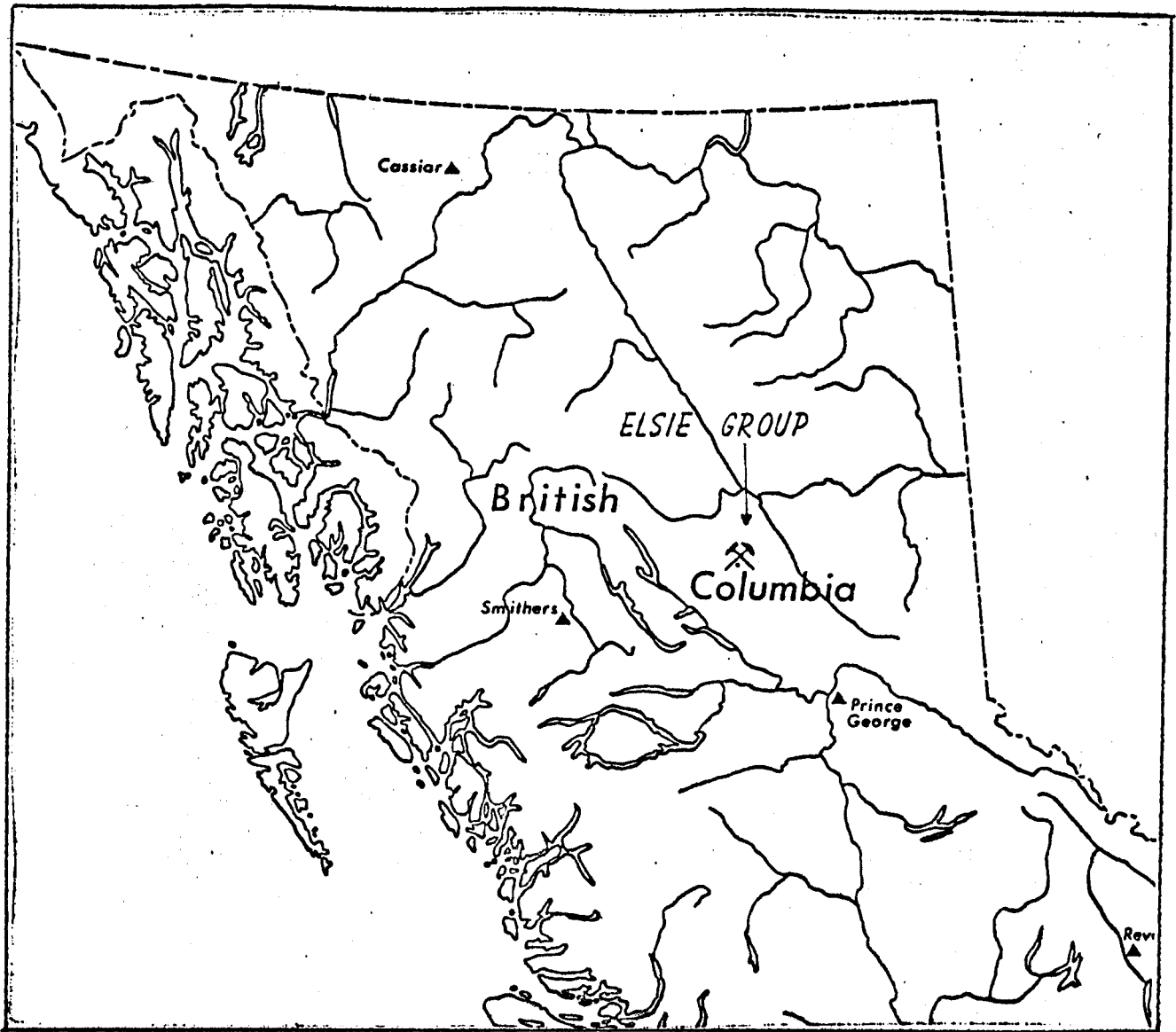


FIGURE 3-1  
LOCATION MAP

7445

ELSIE GROUP OF CLAIMS  
MANSON CREEK, B.C.

## SUMMARY

Azure Resources Ltd. carried out a percussion drill program over the Elsie Group of claims during the month of August, 1979. Surveying and measurements for drill locations were done by the writer.

## PROPERTY

The Elsie Group of mineral claims is made up of eight claims which are located just east of the southern Manson Lake in the Omineca Mining Division at 55° 36' N Lat. and 124° 22' W Long. The claims were optioned from the owners by Azure Resources Ltd. and are recorded as follows:

| <u>Name of Claim</u> | <u>Record No.</u> |
|----------------------|-------------------|
| Elsie 1              | 1318              |
| Elsie 2              | 1319              |
| Elsie 3              | 1320              |
| Elsie 4              | 1321              |
| Elsie 5              | 1384              |
| Elsie 6              | 1385              |
| Bill 1               | 1699              |
| Bill 2               | 1700              |

## GENERAL GEOLOGY

The geology of the area is outlined in Memoir 252, Fort St. James Map-Area, Cassiar and Coast Districts, British Columbia by J. E. Armstrong (1965). The area surrounding the claims is underlain by a complex of gneiss, schist

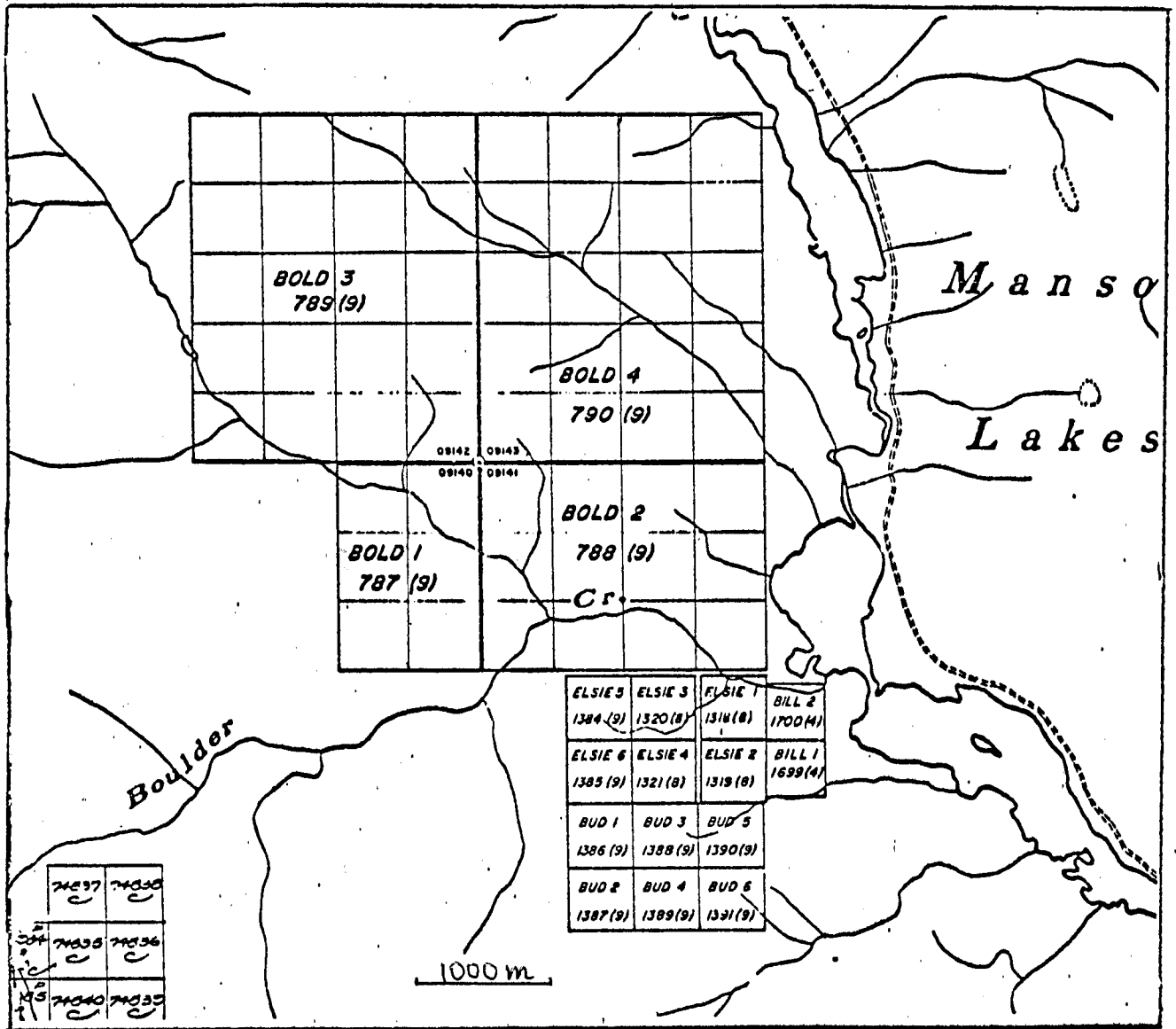


FIGURE 4-1  
CLAIM MAP

7445

ELSIE GROUP OF CLAIMS  
MANSON CREEK, B.C.

and quartzite, believed to be part of the Wolverine Complex of possible Pre - Cambrian age. Armstrong also reports a hornblende trachyte dyke associated with the mineralization. The showings of lead and silver are within a few hundred feet of the mapped location of the Manson Creek fault and appear to be on fault subsidiary to the major structure.

#### HISTORY

The Elsie group of claims is believed to be a restaking of the Berthold property which is described by J. E. Armstrong (1965) in G.S.C. Memoir 252, pages 180 - 181.

He describes the showing - "The showing consists of a silicified fracture zone 10 feet wide, mineralized with fine-grained pyrite and minor amounts of galena. The fracture zone is near a probable branch of the Manson fault zone. Assays indicate 0.01 to 0.06 ounces of gold and 6 to 13 ounces of silver a ton".

In 1973 a considerable amount of work was done on the lead silver showings to the north of the Elsie group under the direction of Mr. Joe Montgomery, P. Eng. At that time a part of the Elsie group showings were mapped but no detailed work was done on them.

In 1978 and 1979 preliminary geochemical and geophysical surveys were carried out by Azure Resources Ltd. with encouraging results.

PRESENT PROGRAM

The present program consisted of the drilling of nine percussion holes varying in depth from 30 feet to 200 feet for a total of 930 feet. The holes were drilled by H. N. Horning Percussion Drilling Ltd. from August 1 to August 3, 1979.

The drilling was done by a truck mounted rig boring a 3 1/4" hole. Samples were collected by a water flushing system and were split by automatic splitter. The individual samples were collected at five foot intervals, partially dried in the field and sent to Bondar Clegg & Company Ltd. in North Vancouver where they were fire assayed for gold and silver. Logs of the drill cuttings and assay results are included in the Appendix.

A map of scale 1" = 300' showing the location of the drill holes is included with this report.

STATEMENT OF COSTS

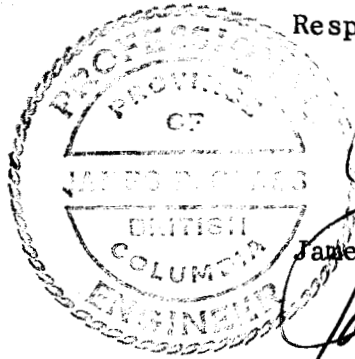
|                                       |                 |
|---------------------------------------|-----------------|
| Drilling - 930 feet @ \$4.85 per foot | \$ 4,510.50     |
| Mobilization and field costs          | <u>1,417.50</u> |
|                                       | \$ 5,928.00     |

Personnel

James R . Glass, P. Eng. July 26 - Aug. 4, 1979  
433 - 355 Burrard Street,  
Vancouver, B. C.

H. N. Horning Percussion Drilling Ltd. July 30 - Aug.5, 1979  
Suite 200, 186 Victoria Street,  
Kamloops, B. C.

Respectfully submitted,



James R. Glass, P. Eng.



APPENDIX A

Drill Hole 79-1

Started - August 1, 1979. Finished - August 1, 1979.

Location: 9+ 20 N 0+ 25 E

Azimuth: S 36° W

Dip: -50°

Length: 165' (50.32 Meters)

|           |   |
|-----------|---|
| 0 - 20    | Casing in overburden  |
| 20 - 30   | Light grey to white silicified biotite schist.<br>Part of Wolverine Complex Rock contains approx.<br>1 - 2% pyrite. |
| 30 - 40   | Same  |
| 40 -- 50  | Same  |
| 50 - 60   | Higher percentage of silica and up to 5% pyrite.  |
| 60 - 70   | Black biotite schist with minor silicification.<br>1% pyrite.   |
| 70 - 80   | Same only slightly more silica.   |
| 80 - 90   | Same  |
| 90 - 100  | Same  |
| 100 - 110 | Light grey mixed silicified and biotite schist.<br>1% pyrite.   |
| 110 - 120 | Same  |
| 120 - 130 | Light grey silicified zone with about 2% pyrite.  |
| 130 - 140 | Same  |
| 140 - 150 | Black schist. Biotite rich.   |
| 150 - 165 | Light grey mixed zone. 1% pyrite.   |
| 165       | End of hole.  |

MINERAL RESOURCES BRANCH  
ASSESSMENT REPORT

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NO.

Drill Hole 79-2

Started - August 1, 1979. Finished - August 1, 1979.

Location: 7 + 70 N 1 + 40 E

Azimuth: S 36° W

Dip: -60°

Length: 110' (33.55 meters)

|           |  |
|-----------|--|
| 0 - 20    | Casing in overburden   |
| 20 - 30   | Light grey to white silicified Wolverine schist. Same as hole #1. Approximately 1% pyrite. |
| 30 - 40   | Silicified schist with good pyrite - up to 2%.   |
| 40 - 50   | Same with more pyrite.   |
| 50 - 60   | Same with more pyrite - 5%.  |
| 60 - 70   | Same - 5% pyrite.  |
| 70 - 80   | Same - 5% pyrite.  |
| 80 - 90   | Mixed Zone, some black schist and some white silicified schist.                            |
| 90 - 100  | Same.  |
| 100 - 110 | Light grey silicified schist - 2% pyrite   |

Drill Hole 79-3

Started - August 1, 1979. Finished - August 1, 1979.

Location: 6 + 40 N. 1 + 6 S E

Azimuth: S 36° W

Dip: -60°

Length: 100' (30.50 meters)

|          |  |
|----------|--|
| 0 - 20   | Casing in overburden.  |
| 20 - 30  | Light grey to black Wolverine schist. Pyrite content - 1%.   |
| 30 - 40  | Light grey silicified micaceous schist with pyrite up to 5%. |
| 40 - 50  | Black, biotite schist with less silicification. Pyrite - 1%. |
| 50 - 60  | Same   |
| 60 - 70  | Light grey silicified schist.                                |
| 70 - 80  | White, well silicified schist but with little pyrite.        |
| 80 - 90  | Mixed black biotite and white silicified schist.             |
| 90 - 100 | Same. Cuttings are light brown.                              |
| 100'     | End of hole.   |

Drill Hole 79 - 4. - Started - August 2, 1979. Finished - August 2, 1979.

Location: 20 + 20 N 2 + 40 E

Azimuth: S 36° W

Dip: -60°

Length: 65' (19.82 Meters)

|         |   |
|---------|---|
| 0 - 20  | Casing in overburden.   |
| 20 - 30 | Light brown sugary textured quartzite phase of the Wolverine Complex. |
| 30 - 40 | Sugary light brown quartzite.   |
| 40 - 50 | Same  |
| 50 - 65 | Same  |
| 65'     | End of hole.  |

Drill Hole 79 - 4A

Started August 2, 1979. Finished - August 2, 1979.

Location: 2 + 20N 2 + 40E (Same location as  
79-4)

Azimuth:

Dip: -90°

Length: 30' (9.15 Meters)

0 - 20

Casing

20 - 30

White sugary quartzite. Same as hole 79 - 4.

Hole lost due to circulation loss.

Drill Hole 79-5

Started August 2, 1979. Finished - August 2, 1979.

Location: 12 + 10 N 0 + 25 E

Azimuth: S 36° W

Dip: -60°

Length: 200' (61.0 meters)

|           |  |
|-----------|--|
| 0 - 20    | Casing in overburden.  |
| 20 - 30   | Light grey and black mixture of the Wolverine Complex.             |
| 30 - 40   | Black biotite rich schist with about 2% pyrite.                    |
| 40 - 50   | Same   |
| 50 - 60   | Mixed black and white with about 5% pyrite.                        |
| 60 - 70   | Light grey mixed zone - 1% pyrite.                                 |
| 70 - 80   | Same   |
| 80 - 90   | Same   |
| 90 - 100  | Same   |
| 100 - 110 | Black biotite schist - less than 1% pyrite.                        |
| 110 - 120 | White to light grey siliceous zone - 5% pyrite.                    |
| 120 - 130 | Same   |
| 130 - 140 | Black, biotite schist.   |
| 140 - 150 | Same but with some silicification.                                 |
| 150 - 160 | Mixed biotite and silicified zone with up to 5% pyrite.            |
| 160 - 170 | Same   |
| 170 - 180 | Same, only less pyrite - 2%.                                       |
| 180 - 190 | Light brown mixture of biotite and silicified schist. Poor pyrite. |
| 190 - 200 | Light grey to light brown schist with 1% pyrite.                   |
| 200'      | End of hole.   |

Drill Hole 79-6

Started - August 3, 1979. Finished - August 3, 1979.

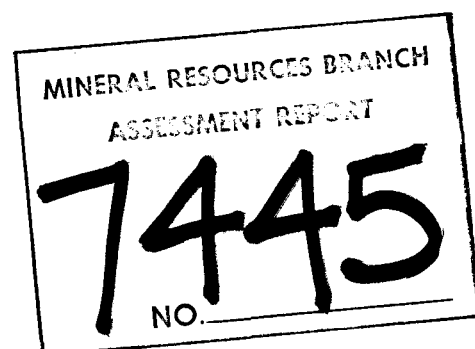
Location: 7 + 00 N 0 + 30' W

Azimuth: S 36° W

Dip: -60°

Length: 90' (27.45 Meters)

|         |   |
|---------|---|
| 0 - 20  | Casing in overburden.   |
| 20 - 30 | Light brown sugary textured quartzite mixed with a small amount of black biotite schist. Part of Wolverine Complex. |
| 30 - 40 | Light grey silicified schist with up to 5% pyrite.  |
| 40 - 50 | Light grey schist with 1% pyrite.   |
| 50 - 60 | Same  |
| 60 - 70 | Same  |
| 70 - 80 | Mixture of silicified schist and biotite schist.  |
| 80 - 90 | Light grey silicified schist - 5% pyrite.   |
| 90'     | End of hole.  |





Drill Hole 79-7

Started - August 3, 1979. Finished - August 3, 1979.

Location: 10 + 20 N 0 + 75 W

Azimuth: S 36° W

Dip: -60°

Length: 70' (21.35 Meters)

|         |   |
|---------|---|
| 0 - 15  | Casing in overburden.   |
| 15 - 30 | Light grey silicified schist. Approx. 5% pyrite or more.                                  |
| 30 - 40 | Silicified zone with one speck of galena in white quartz. Best pyrite seen to date - 75%. |
| 40 - 50 | Black biotite schist with good pyrite - 5%.   |
| 50 - 60 | Silicified biotite schist with approx. 2% pyrite.   |
| 60 - 70 | Light grey mixed silicified and biotite schist with approx. 2% pyrite.                    |
| 70'     | End of hole.  |

Drill Hole 79-8

Started - August 3, 1979. Finished - August 3, 1979.

Location: 3 + 50 N 2 + 00 E

Azimuth: S 30° W

Dip: -60°

Length: 100' (30.50 Meters)

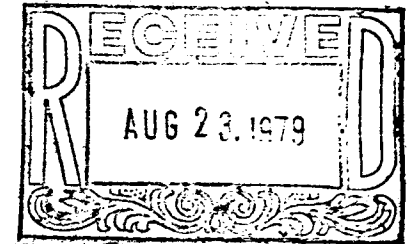
|          |   |
|----------|---|
| 0 - 20   | Casing in overburden.   |
| 20 - 45  | Light brown sugarey quartzite with Fe stain. This is leached looking material.          |
| 45 - 100 | Light grey silicified and black biotite schist with relatively poor pyrite - Approx. 1% |
| 100'     | End of hole.  |



# BONDAR-CLEGG & COMPANY LTD.

1500 PEMBERTON AVE., NORTH VANCOUVER, B.C. PHONE: 985-0681 TELEX: 04-54554

## Certificate of Analysis



O Arare Resources Ltd.  
433 - 355 Burrard Street  
Vancouver, B. C. V6C 2G8

A29 - 741  
 August 21, 1979

# 7445

hereby certify that the following are the results of assays made by us upon the herein described sludge samples.

| MARKED  |        | PERCENT<br>oz/ton | PERCENT<br>oz/ton | MARKED  |         | PERCENT<br>oz/ton | PERCENT<br>oz/ton | MARKED |         | PERCENT<br>oz/ton | PERCENT<br>oz/ton |
|---------|--------|-------------------|-------------------|---------|---------|-------------------|-------------------|--------|---------|-------------------|-------------------|
|         |        | Au                | Ag                |         |         | Au                | Ag                |        |         | Au                | Ag                |
| 79 - 1  | 20- 25 | 10.002            | 0.07              | 79 - 1  | 115-120 | 10.002            | 0.05              | 79 - 2 | 85- 90  | 10.002            | 10.02             |
|         | 25- 30 | 10.002            | 0.03              |         | 120-125 | 10.002            | 0.03              |        | 90- 95  | 10.002            | 10.02             |
|         | 30- 35 | 10.002            | 0.02              |         | 125-130 | MISSING           |                   |        | 95-100  | 10.002            | 10.02             |
|         | 35- 40 | 0.003             | 0.02              |         | 130-135 | 10.002            | 0.02              |        | 100-105 | 10.002            | 0.02              |
|         | 40- 45 | 10.002            | 10.02             |         | 135-140 | 10.002            | 0.02              |        | 79 - 3  | 25- 30            | 10.002            |
|         | 45- 50 | 10.002            | 10.02             | 140-145 | 0.002   | 0.02              | 30- 35            | 10.002 |         | 10.02             |                   |
|         | 50- 55 | 10.002            | 0.02              | 79 - 2  | 20- 25  | 10.002            | 0.02              | 35- 40 |         | 10.002            | 10.02             |
|         | 55- 60 | 10.002            | 10.02             |         | 25- 30  | 10.002            | 0.02              | 40- 45 |         | 10.002            | 10.02             |
|         | 60- 65 | 10.002            | 0.02              |         | 30- 35  | 10.002            | 0.02              | 45- 50 |         | 10.002            | 10.02             |
|         | 65- 70 | 10.002            | 0.02              |         | 35- 40  | 10.002            | 0.02              | 50- 55 | 10.002  | 0.02              |                   |
|         | 70- 75 | 10.002            | 0.02              |         | 40- 45  | MISSING           |                   | 55- 60 | 10.002  | 0.02              |                   |
|         | 75- 80 | 10.002            | 0.02              | 45- 50  | 10.002  | 0.02              | 60- 65            | 10.002 | 10.02   |                   |                   |
|         | 80- 85 | 10.002            | 10.02             | 50- 55  | 10.002  | 0.10              | 65- 70            | 10.002 | 10.02   |                   |                   |
|         | 85- 90 | 10.002            | 0.02              | 55- 60  | 10.002  | 0.03              | 70- 75            | 10.002 | 10.02   |                   |                   |
|         | 90- 95 | 10.002            | 10.02             | 60- 65  | 10.002  | 0.02              | 75- 80            | 10.002 | 0.02    |                   |                   |
| 95-100  | 10.002 | 10.02             | 65- 70            | 10.002  | 0.03    | 80- 85            | 10.002            | 0.02   |         |                   |                   |
| 100-105 | 10.002 | 10.02             | 70- 75            | 10.002  | 0.03    | 85- 90            | 10.002            | 10.02  |         |                   |                   |
| 105-110 | 10.002 | 0.02              | 75- 80            | 10.002  | 0.02    | 90- 95            | 10.002            | 0.02   |         |                   |                   |
| 110-115 | 10.002 | 0.07              | 80- 85            | 10.002  | 0.02    | 95-100            | 10.002            | 0.02   |         |                   |                   |

NOTE:

Rejects retained two weeks  
 Pulps retained three months  
 unless otherwise arranged.

BONDAR-CLEGG & COMPANY LTD.  
 REGISTERED ASSAYER, PROVINCE OF BRITISH COLUMBIA



## Certificate of Analysis

0 Azure Resources Ltd.

A29 - 741

PAGE 2

hereby certify that the following are the results of assays made by us upon the herein described sludge samples.

| MARKED       | PERCENT |        | MARKED  | PERCENT |        | MARKED       | PERCENT      |        |       |
|--------------|---------|--------|---------|---------|--------|--------------|--------------|--------|-------|
|              | oz/ton  | oz/ton |         | oz/ton  | oz/ton |              | oz/ton       | oz/ton |       |
|              | Au      | Ag     |         | Au      | Ag     |              | Au           | Ag     |       |
| 79-3 100-105 | 10.002  | 0.02   | 79-5    | 80-85   | 10.002 | 0.02         | 79-5 175-180 | 10.002 | 10.02 |
| 79-4 20-25   | 10.002  | 0.02   |         | 85-90   | 10.002 | 0.02         | 180-185      | 10.002 | 10.02 |
| 25-30        | 10.002  | 0.02   |         | 90-95   | 10.002 | 10.02        | 185-190      | 10.002 | 0.02  |
| 30-35        | 10.002  | 0.02   |         | 95-100  | 10.002 | 10.02        | 190-195      | 10.002 | 0.03  |
| 35-40        | 10.002  | 10.02  | 100-105 | MISSING |        | 79-6 195-200 | 10.002       | 0.02   |       |
| 79-4A 20-25  | 10.002  | 0.02   | 105-110 | 10.002  | 10.02  | 20-25        | 10.002       | 0.03   |       |
| 25-30        | 10.002  | 0.02   | 110-115 | 10.002  | 0.02   | 25-30        | 10.002       | 0.02   |       |
| 79-5 20-25   | 10.002  | 0.02   | 115-120 | 10.002  | 0.02   | 30-35        | 10.002       | 0.02   |       |
| 25-30        | 10.002  | 10.02  | 120-125 | 10.002  | 0.02   | 35-40        | 10.002       | 0.03   |       |
| 30-35        | 10.002  | 10.02  | 125-130 | 10.002  | 10.02  | 40-45        | 10.002       | 0.02   |       |
| 35-40        | 10.002  | 0.02   | 130-135 | 10.002  | 10.02  | 45-50        | 10.002       | 0.03   |       |
| 40-45        | 10.002  | 10.02  | 135-140 | 10.002  | 0.02   | 50-55        | 10.002       | 10.02  |       |
| 45-50        | 10.002  | 10.02  | 140-145 | 10.002  | 0.02   | 55-60        | 10.002       | 0.02   |       |
| 55-60A       | 10.002  | 0.02   | 145-150 | 10.002  | 0.03   | 60-65        | 10.002       | 10.02  |       |
| 55-60B       | 10.002  | 0.02   | 150-155 | 10.002  | 0.02   | 65-70        | 10.002       | 0.03   |       |
| 60-65        | 10.002  | 0.02   | 155-160 | 10.002  | 0.02   | 70-75        | 10.002       | 0.03   |       |
| 65-70        | 10.002  | 10.02  | 160-165 | 10.002  | 0.02   | 75-80        | 10.002       | 0.06   |       |
| 70-75        | 10.002  | 10.02  | 165-170 | 10.002  | 0.02   | 80-85        | 10.002       | 0.03   |       |
| 75-80        | 10.002  | 10.02  | 170-175 | 10.002  | 0.02   | 85-90        | 10.002       | 0.02   |       |

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BONDAR-CLEGG & COMPANY LTD.  
REGISTERED ASSAYER, PROVINCE OF BRITISH COLUMBIA



## Certificate of Analysis

Azure Resources Ltd.

A29 - 741

PAGE 3

hereby certify that the following are the results of assays made by us upon the herein described sludge samples.

| MARKED      | PERCENT |        | MARKED      | PERCENT |        | MARKED | PERCENT |        |
|-------------|---------|--------|-------------|---------|--------|--------|---------|--------|
|             | oz/ton  | oz/ton |             | oz/ton  | oz/ton |        | oz/ton  | oz/ton |
|             | Au      | Ag     |             | Au      | Ag     |        | Au      | Ag     |
| 79-6 1*     | 10.002  | 10.02  | 79-6 45- 50 | 10.002  | 0.02   |        |         |        |
| 2*          | 10.002  | 10.02  | 50- 55      | 10.002  | 0.02   |        |         |        |
| 3*          | 10.002  | 10.02  | 55- 60      | 10.002  | 0.02   |        |         |        |
| 79-7 15- 20 | 10.002  | 0.17   | 60- 65      | 10.002  | 0.02   |        |         |        |
| 20- 25      | 10.002  | 0.29   | 65- 70      | 10.002  | 0.02   |        |         |        |
| 25- 30      | 10.002  | 0.12   | 70- 75      | 10.002  | 0.02   |        |         |        |
| 30- 35      | 10.002  | 0.13   | 75- 80      | 10.002  | 0.02   |        |         |        |
| 35- 40      | 10.002  | 0.03   | 80- 85      | 10.002  | 0.02   |        |         |        |
| 40- 45      | 10.002  | 0.06   | 85- 90      | 10.002  | 0.02   |        |         |        |
| 45- 50      | 10.002  | 0.03   | 90- 95      | 10.002  | 0.02   |        |         |        |
| 50- 55      | 10.002  | 0.03   | 95-100      | 10.002  | 0.02   |        |         |        |
| 55- 60      | 10.002  | 0.02   |             |         |        |        |         |        |
| 60 - 65     | 10.002  | 0.03   |             |         |        |        |         |        |
| 65- 70      | 10.002  | 0.06   |             |         |        |        |         |        |
| 79-8 20- 25 | 10.002  | 0.02   |             |         |        |        |         |        |
| 25- 30      | 10.002  | 0.03   |             |         |        |        |         |        |
| 30- 35      | 10.002  | 0.02   |             |         |        |        |         |        |
| 35- 40      | 10.002  | 0.02   |             |         |        |        |         |        |
| 40- 45      | 10.002  | 0.02   |             |         |        |        |         |        |

L denotes less than

\* samples reported as 1,2,3 because sample numbers on bags were obliterated

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NOTE:

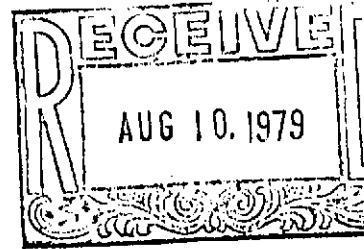
Rejects retained two weeks  
Pulps retained three months  
unless otherwise arranged.

H. N. HORNING PERCUSSION DRILLING LTD.

c/o Jarrett, Gould & Elliott

Ste. 200 - 186 Victoria Street

Kamloops, B.C. V2C 5R3



August 6, 1979

James R. Glass  
Azure Resources  
433 - 355 Burrard Street  
Vancouver, B.C.  
V6C 2G8

STATEMENT OF ACCOUNT

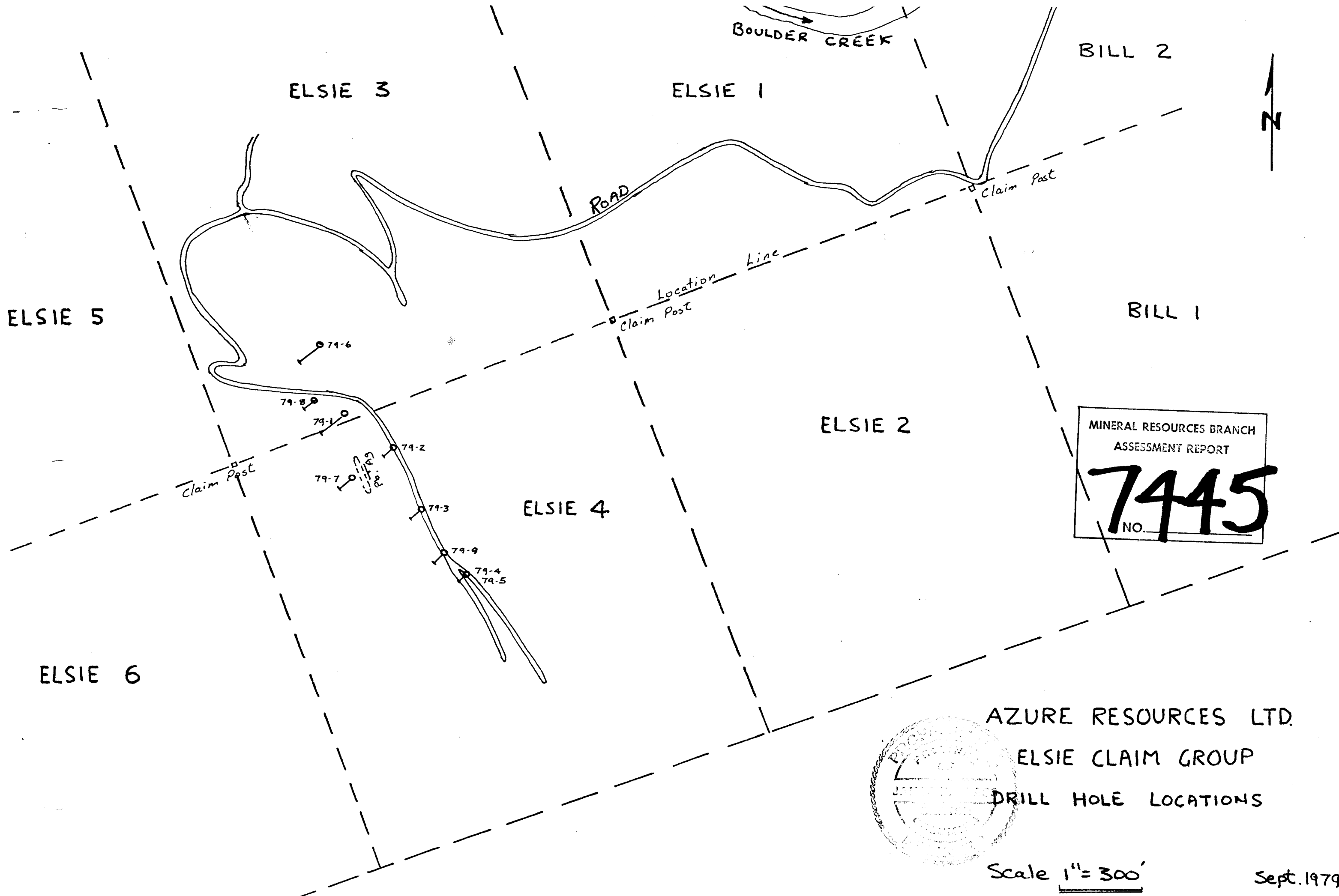
Job Site - Manson Lake

| 1979     | Hole    | Footage From | Drilled To | Total Feet |
|----------|---------|--------------|------------|------------|
| August 1 | #1      | 0            | 165        | 165        |
| 1        | #2      | 0            | 110        | 110        |
| 1        | #3      | 0            | 100        | 100        |
| August 2 | #4      | 0            | 65         | 65         |
| 2        | #5 (4A) | 0            | 30         | 30         |
| 2        | #6 (5)  | 0            | 200        | 200        |
| August 3 | #7 (6)  | 0            | 90         | 90         |
| 3        | #8 (7)  | 0            | 70         | 70         |
| 3        | #9 (8)  | 0            | 100        | 100        |
|          |         |              |            | <u>930</u> |

930 feet drilled @ \$4.85 per foot  
11 hr. field cost (labour) @ \$7.50  
1,068 miles moving in and out @ \$1.25 mile

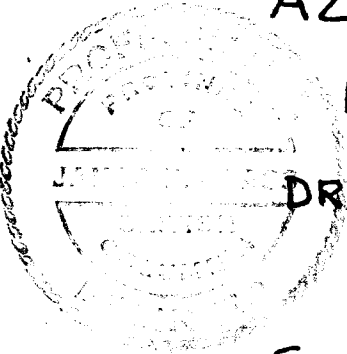
\$4,510.50  
82.50  
1,335.00  
\$5,928.00

*pd. ch # 656*



MINERAL RESOURCES BRANCH  
 ASSESSMENT REPORT  
**7445**  
 NO.

AZURE RESOURCES LTD.  
 ELSIE CLAIM GROUP  
 DRILL HOLE LOCATIONS



Scale 1" = 300'

Sept. 1979