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GEOLOGICAL REPORT ON THE  
CRO TUNGSTEN-MOLYBDENUM CLAIMS

NEW HAZELTON AREA  
BRITISH COLUMBIA  
N.T.S. 93M/5E

55°10' N 127°34' W

for

GROUP VIII VENTURES LTD

CALGARY, ALBERTA

by

E. MEYERS CONSULTING

CALGARY, ALBERTA

February, 1980

E. Meyers, P. Geol.

MINERAL RESOURCES BRANCH  
ASSESSMENT REPORT  
79053  
NO. \_\_\_\_\_

STATEMENT

TO: Norman E Lippitt  
Group VIII Ventures Ltd  
Calgary, ALBERTA

11 February 1980

RE: Field Trip & Geological  
Report on the Cro Claims  
New Hazelton, B.C.

Professional Services - E. Meyers, P. Geol.

5 days	Travel, sampling geological examination of Cro Claims		\$
3 days	Facilitating sample handling & report writing & Property research.		
<hr/>			
8 days	@ \$250.00 per day		2,000.00
	Grocery Receipt	20.52	
	Report Typing, duplication and folders	35.00	
	Taxi	8.00	
		<hr/>	
		63.52	63.52
	Field Expenses paid by Kruszewski		2,848.30
	Assays		701.50
			<hr/>
		Amount Owing:	\$5,613.32
			<hr/> <hr/>

Respectfully submitted

*E. Meyers*

E. Meyers, P. Geol.

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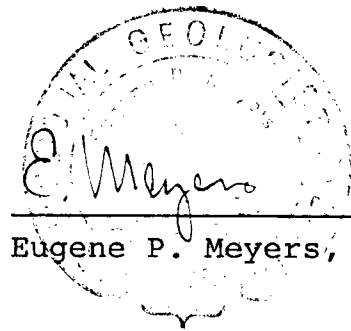
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CERTIFICATE

I, Eugene P. Meyers, of the City of Calgary, in the Province of Alberta, certify as follows:

1. That I am a geologist residing at 139 Coleridge Road, NW, Calgary, Alberta.
2. That I graduated with a Bachelor of Science Degree in Geology from the University of Idaho in 1963.
3. That I am registered as a Professional Geologist in the Province of Alberta.
4. That I have practised my profession in mining and minerals exploration in Canada and the United States continuously for the past seventeen years.

DATED IN CALGARY THIS 29 DAY OF Feb., 1980.



Eugene P. Meyers, P. Geol.

THE CRO TUNGSTEN-MOLYBDENUM CLAIMS

NEW HAZELTON AREA  
BRITISH COLUMBIA

INTRODUCTION

On June 11, and again on October 2 - 4, 1979, the author examined and sampled the Cro Claims in company with J. Kruszewski and Sven Englund of Calgary, and Clinton, B.C., respectively. Pacing, altimeter, and tape were used for sample control.

Tungsten, molybdenum and minor values of silver, copper and gold are concentrated within three vein-type lode deposits within the Cro #1 claim.

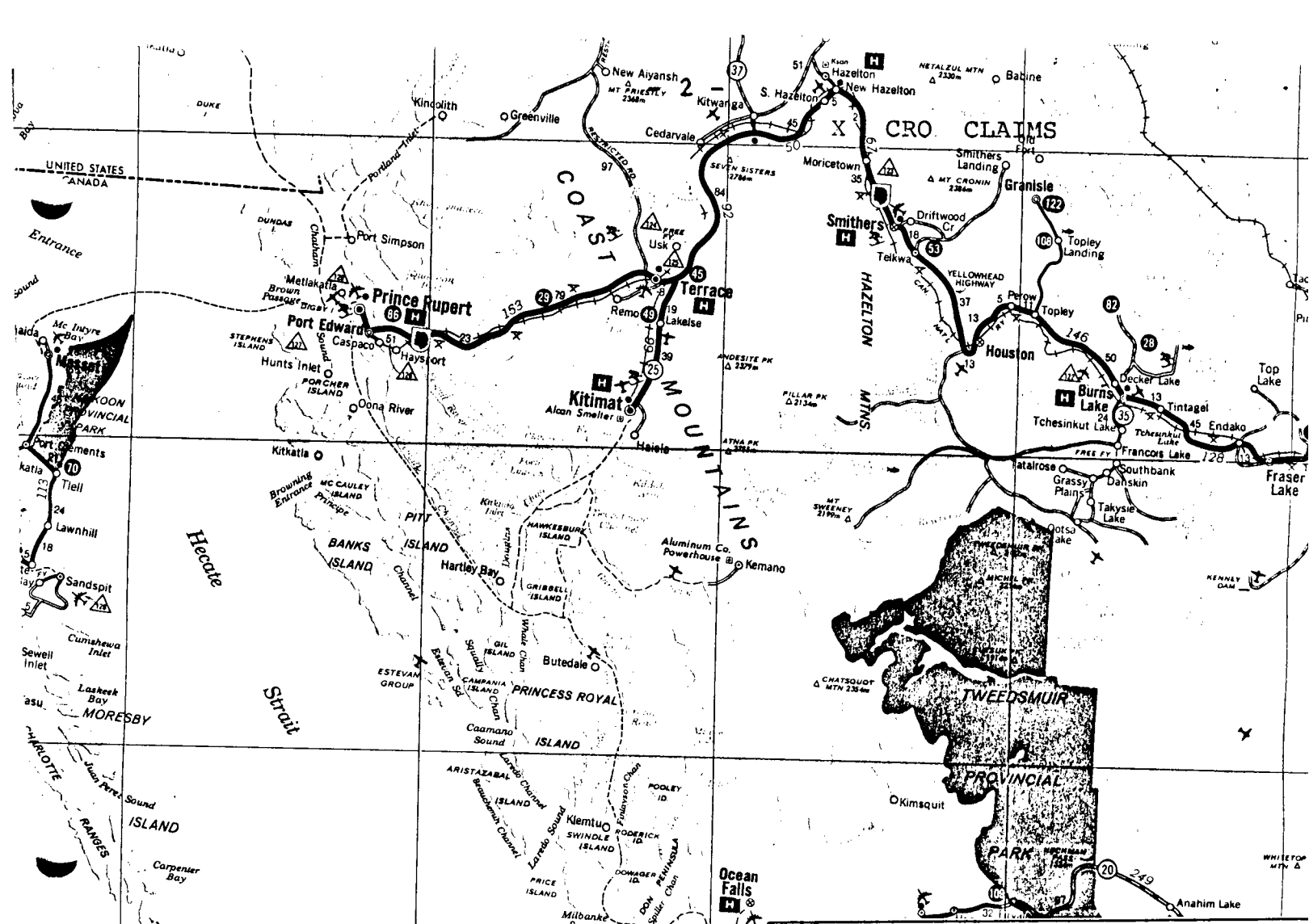
The Main Zone vein has been traced on surface for 800 feet horizontally and 460 feet vertically. Channel sampling of the main zone averaged a gross dollar value of \$122.82 per ton. Assaying taken in this zone in 1954 assayed consistently higher in tungsten. This discrepancy is attributed to high degree of surface leaching of the vein.

Assay results are significant. The shear system hosting the mineralization in the Main Zone is persistent and strong, both vertically and horizontally. A program of trenching and diamond drilling is warranted, to establish grade and width of unoxidized ore, testing of this vein at depth, and where talus and drift cover the vein.

The Blue Lake Zone is worthy of further work because of high silver values associated with this vein system.

The estimated cost of the program is \$106,800.00.

This report has been prepared at the request of Group VIII Ventures Ltd.



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The Cro Tungsten-Molybdenum Claims  
New Hazelton, British Columbia

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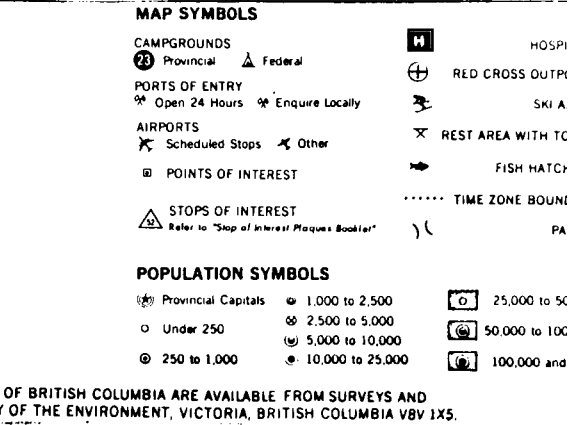
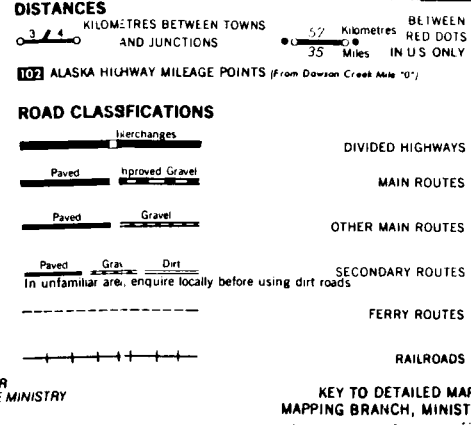
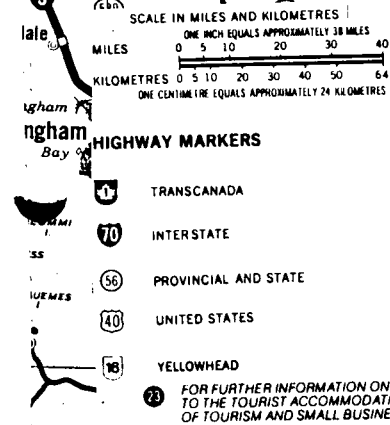
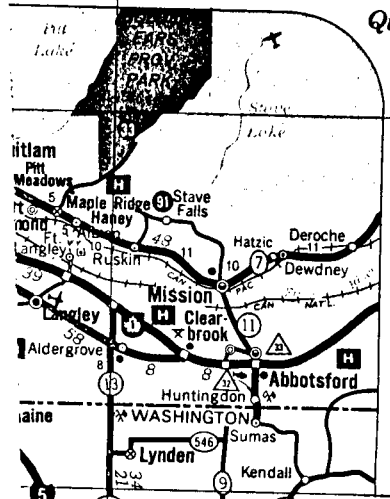
Regional Index Map

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Map No: 1	Date: Feb 1980
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KEY TO DETAILED MAPS OF BRITISH COLUMBIA ARE AVAILABLE FROM SURVEYS AND MAPPING BRANCH, MINISTRY OF THE ENVIRONMENT, VICTORIA, BRITISH COLUMBIA V8V 1X5.

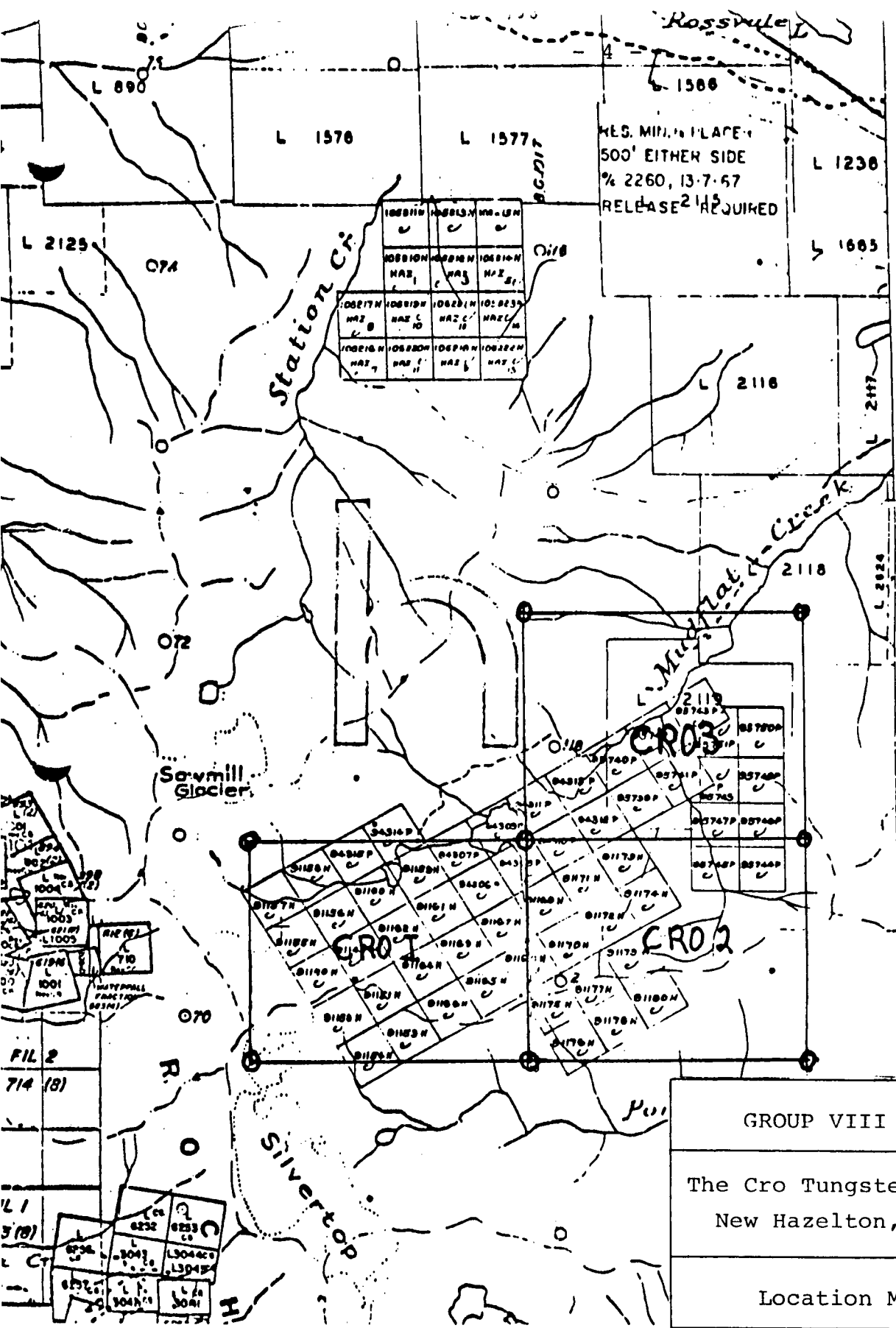
FOR FURTHER INFORMATION ON CAMPGROUNDS REFER TO THE TOURIST ACCOMMODATION DIRECTORY OF THE MINISTRY OF TOURISM AND SMALL BUSINESS DEVELOPMENT

LOCATION & ACCESS (Map #1)

The Cro Claims are located about 6 miles south of New Hazelton, British Columbia. Access to the claims is by logging road six miles south of New Hazelton on Highway #16. The logging road extends for 1.5 miles to the foot of a cirque valley from which a foot trail follows the valley up Mudflat Creek for four miles to the north centre of Cro #1 Claim, on Rocher Deboule Mountain. The author flew to the property site via helicopter which operates out of Smithers, B.C. A Canadian National rail link runs through New Hazelton, B.C., to the ocean port of Prince Rupert, B.C. There is daily air service on Pacific Western Airlines between Vancouver and Smithers, B.C. Smithers is approximately thirty-eight miles south of the property on Highway #16.

TOPOGRAPHY & CLIMATE

Topography within the claim group ranges in elevation from 3,500 feet along the valley floor of Mudflat Creek to 6,500 feet along the south claim boundary of Cro #1. The lower valley floor is densely covered with hemlock and spruce, thinning at higher elevations to sparse alpine spruce. The tree line terminates at about 4,600 feet. Above 4,800 feet, outcrop exposure is excellent; whereas below 4,600 feet talus slopes and drift cover are extensive. The upper valleys are glacially modified with cirques and steep sides. The property is under snow from November through May. Ideal working conditions generally extend from July through October. There are two tarn lakes both on and bordering Cro #1 claim. Water for drilling purposes can be obtained from a glacially fed stream located about 1,000 feet west of the main showing. Topography, climate, and location, while contributing to higher cost, do not preclude conducting a successful mining operation.



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The Cro Tungsten-Molybdenum Claims  
New Hazelton, British Columbia

Location Map - Cro Claims

Map No: 2                      Date: Feb 1980

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PLEISTOCENE AND RECENT - 5 -

- 11 Drift and alluvium
- PALEOCENE OR LATER
- 10 Andesite, basalt flows and dykes
- PALEOCENE
- 9 Greywacke, shale, conglomerate, coal
- CRETACEOUS
- BULKLEY INTRUSIONS (5-8)
- 8 ROCHER DEBOULE STOCK: 6-porphyrific granodiorite; 7-quartz monzonite
- 5 Diorite dykes
- UPPER JURASSIC AND LOWER CRETACEOUS
- HAZELTON GROUP (IN PART) (1-4)
- 4 BRIAN BORU FORMATION: varicoloured porphyritic andesitic flows and breccias, tuffs, minor volcanic sandstone and conglomerate
- RED ROSE FORMATION (1-3)
- 3 MEMBER D: conglomerate, greywacke, shale, and hornfelsic equivalents
- 1, 2 I-MEMBER B: shale, siltstone, and hornfels. 2- MEMBERS A and C: greywacke, shale, siltstone, and hornfelsic equivalents; minor conglomerate and coal
- 4a Related sill

BULKLEY CANYON STATION

Suskwatone R.

SYMBOLS

- Geological boundary; defined, approximate, assumed
- Bedding; horizontal, inclined, vertical, overturned
- Flow layering in volcanic rocks
- Foliation, lineation in granitic rocks
- Joints
- Anticline; upright, overturned
- Syncline
- Fault with movement
- Glacial striae, roche moutonee
- Fossil locality
- Mining property (see list below)
- Adit
- Trail
- Highway 16, other roads
- Glacier, snowfield

Scale 0 1 2 Miles

LIST OF PROPERTIES

- 1 Three Hills
- 2 Golden Wonder
- 3 Cap
- 4 Victoria
- 5 Rocher Deboule
- 6 Highland Boy
- 7 Great Ohio
- 8 Armagosa
- 9 Red Rose
- 10 Brunswick
- 11 Brian Boru
- 12 Daley West
- 13 Black Prince
- 14 Blue Lake
- 15 Lone Star
- 16 Sultana

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The Cro Tungsten-Molybdenum Claims  
New Hazelton, British Columbia

Geological Map, Property Location  
Rocher Deboule Range

Map No: 3

Date: Feb 1980

The Red Rose Mine, which ranged from 5,000 to 6,500 feet in elevation and is located two miles to the southwest of the Cro Claims conducted a profitable mining operation for years.

### HISTORY

The property was located in 1911 or 1912. The initial exploration work was described in B.C. Minister of Mines Report by J.D. Galloway (1916, pp 117 - 118), under the name of Black Diamond Exploration, and work continued intermittently during 1944 - 1945, 1951 - 1953 periods when war time demands for tungsten were strong. Most of the underground work is believed to have been undertaken by Privateer Mining Company in 1944 - 1945. The property was later recorded under the name of the Erickson Group and was held by a Mrs B. Sargent until her death in 1978, whereupon the Cro Claims were staked by J. Kruszewski in 1979. Past work consists of trenching and 150 feet of drifting. No past production or drilling has been undertaken on the property.

Sutherland Brown, in his B.C. Bulletin #42, dated 1960, estimated that the value of past production from mines in the immediate area, principally the Red Rose Mine, exceeded \$8,000,000, primarily for tungsten. All mining activity has ceased since 1954.

### CLAIM DISPOSITION

The claims were acquired by Kruszewski by staking in March, 1979. The claim map covering the property is included in Map #2. The claims are designated as follows:

<u>Claim Name</u>	<u>No. Units</u>	<u>Acreage</u>	<u>Anniversary Date</u>
Cro #1	20	1,032	April, 1980
Cro #2	20	1,032	April, 1980
Cro #3	20	1,032	April, 1980

The Cro Tungsten-Molybdenum Claims  
New Hazelton, British Columbia

Isometric Drawing  
Rocher Deboule Stock

Map No: 4

Date: Feb 1980

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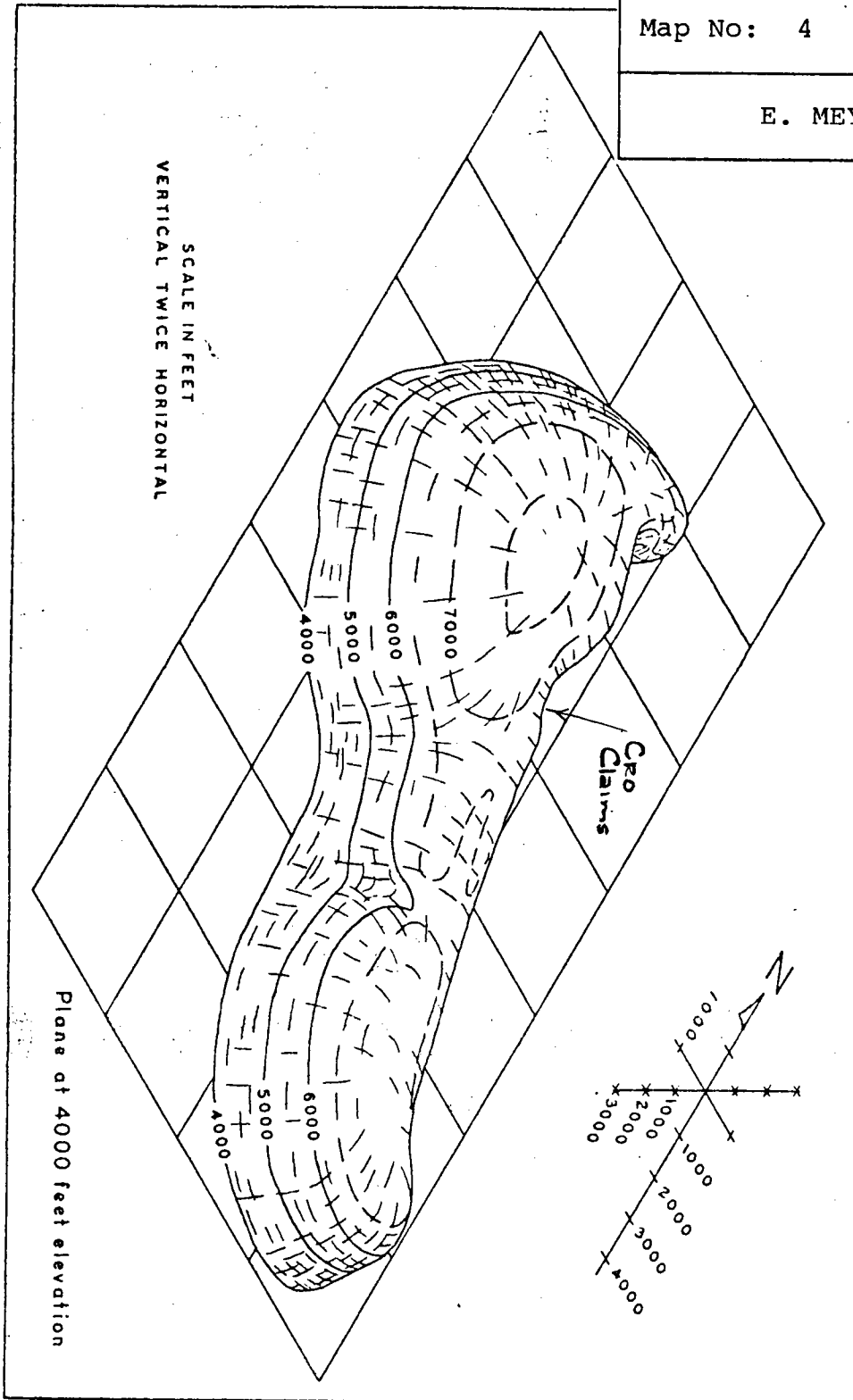
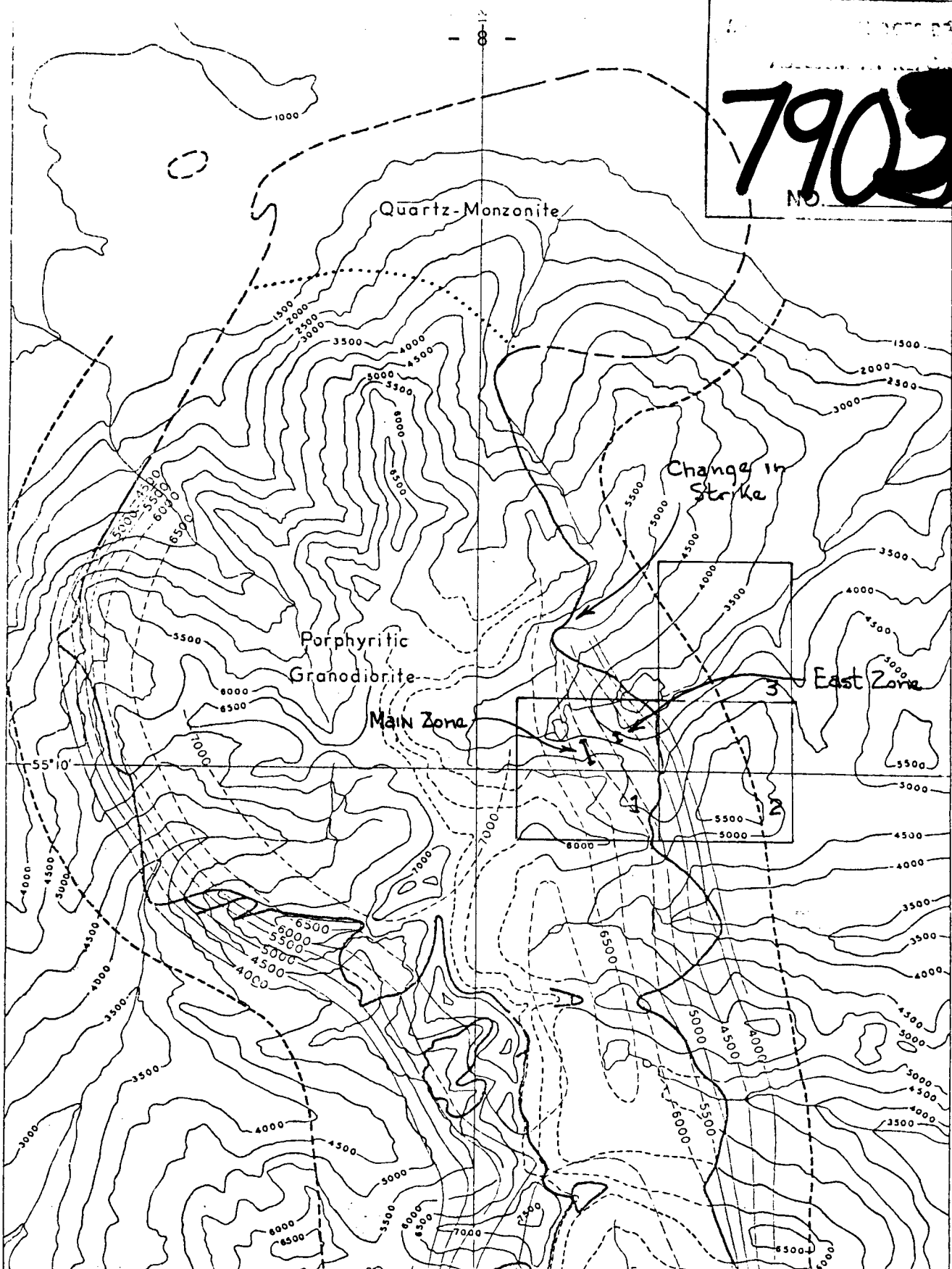


Figure 4. Isometric sketch of Rocher Deboule stock.

7903  
NO.



**ROCHER DEBOULE STOCK**  
Showing the form of the contact surface

**LEGEND**

- Topographic contours, form lines
- - - - - Approximate outer limit of hornfels; the Biotite line
- Surface trace of contact
- Form lines on contact surface
- - - - - Above ground level
- Below ground level

Scale 1000 0 2500 5000 Feet

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The Cro Tungsten-Molybdenum Claims New Hazelton, British Columbia	
Trace of Surface Contact Rocher Deboule Stock	
Map No: 5	Date: Feb 1980
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## GEOLOGY

### Regional (Map #3)

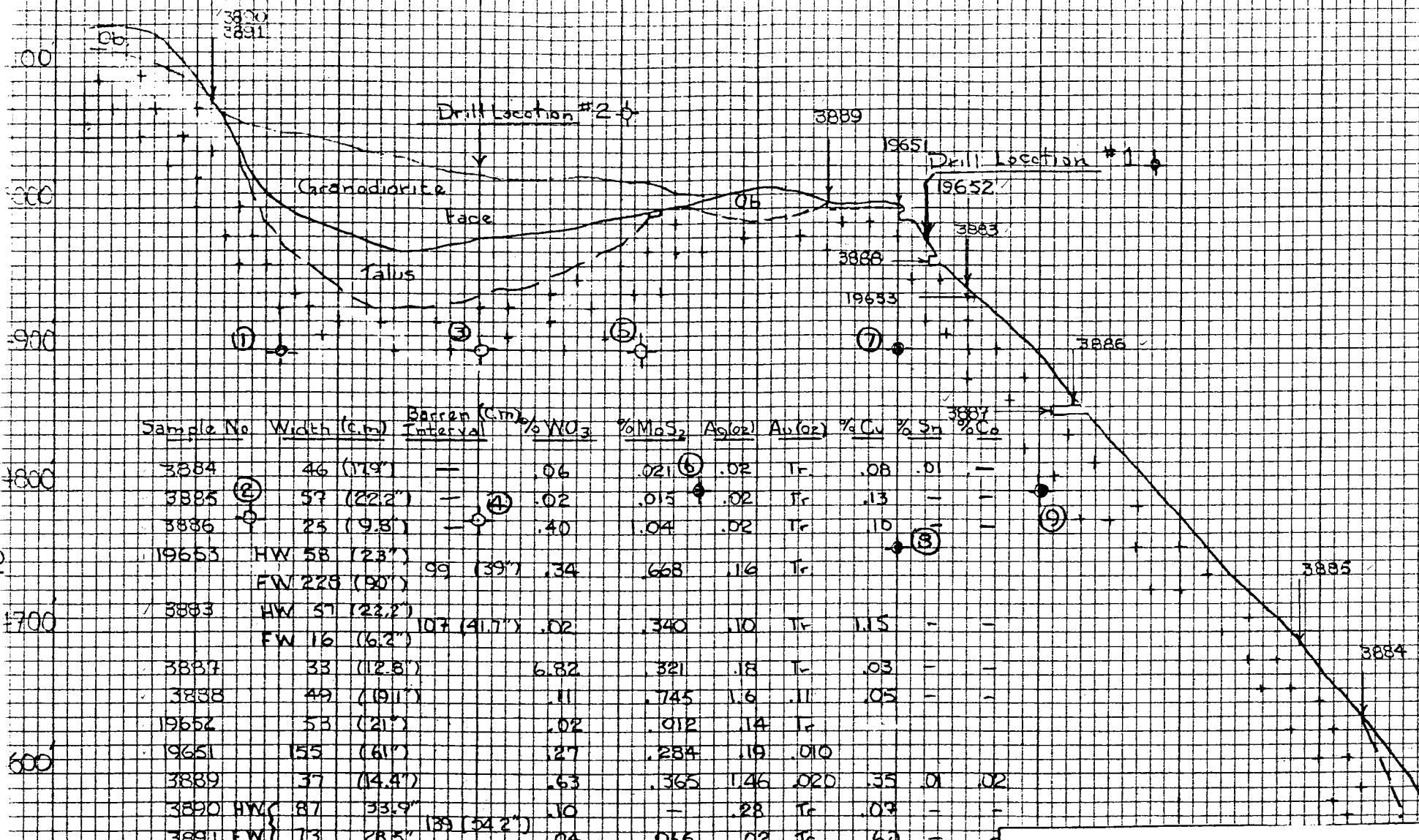
The Cro Claims are underlain by a porphyritic granodiorite in contact with horfels and shales of the Hazelton Group some 1500 feet to the east. The granodiorite is a part of the Rocher Deboule Stock which underlies the mountain range of the same name. The stock is about 15 miles long, on a north-south axis, and 4 miles at its widest part. The stock is divided into two domes. All of the known major mineral deposits are located within two thousand feet of the contact between the sediments and the more prominent northern dome of granodiorite (Map #4). Government aeromagnetic maps and geological mapping display the major structural fabric of the stock as being  $15^{\circ}$  west of north. Magnetic maps and fracture patterns indicate a northeast trending linament passing through the Red Rose Mine, on the western edge of the stock and associated mineralization on the Cro Claims bordering the eastern flank of the stock. This linament is further expressed by the change in strike between the stock and sediments along the northern rim of Mudflat Creek (Map #5).

### Local

The host rock for mineralization is a porphyritic granodiorite situated along a steep northern face of Mudflat Creek.

## MINERALIZATION

Mineralization is contained within a branching shear-zone, striking at  $330^{\circ}$  azimuth, and dipping to the southwest at  $60^{\circ}$  -  $72^{\circ}$ . The suite of minerals consists of scheelite, molybdenite, chalcopyrite, and pyrite. Cobalt bloom erythrite was observed in the trenches at the 5,000 foot elevation.



Sample No	Width (c.m)	Barren (Cm) Interval	%WO <sub>3</sub>	%MoS <sub>2</sub>	As(oz)	Pb(oz)	%Cu	%Zn	%Co
3884	46 (179")	—	.06	.021 (6)	.02	Tr	.08	.01	—
3885 (2)	57 (222")	— (4)	.02	.015	.02	Tr	.13	—	—
3886	23 (9.3")	— (5)	.40	1.04	.02	Tr	.10	—	—
19653	HW 58 (23")	99 (39")	.34	.668	.16	Tr	—	—	—
	FW 228 (90")								
3883	HW 57 (22.2")	107 (41.7")	.02	.340	.10	Tr	1.15	—	—
	FW 16 (6.2")								
3887	33 (12.8")		6.82	.321	.18	Tr	.03	—	—
3888	49 (19.1")		.11	.745	.16	.11	.05	—	—
19652	53 (21")		.02	.012	.14	Tr	—	—	—
19651	155 (61")		.27	.284	.19	.010	—	—	—
3889	37 (14.4")		.63	.365	1.46	.020	.35	.01	.02
3890	HW 87	33.9"	.10	—	.28	Tr	.07	—	—
3891	FW 73	28.5" (89 (34.2"))	.04	.066	.02	Tr	.60	—	—

### LEGEND

- ▬ Rocher Deboile Caranodiorite
- Ob - Overburden
- ⊙ Drill Hole Intersections (Set-up #2)
- ⊙ Projected Drill Hole Intersections (Set-up #1)
- Location of Trench
- Location of Adit

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The Cro Tungsten-Molybdenum Claims  
New Hazelton, British Columbia

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Profile of Main Zone Assay Results  
& Proposed Drill Intersections

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Map No: 6	Date: Feb 1980
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The remaining vein material is rusty limonitic milky quartz, badly broken and heavily leached.

Main Zone (Maps #5 - #6)

Map #6 shows the profile of the main zone, sample locations and attending assay results. A summary of assay results between sample 3886 and 3891 is as follows: (\*Sample 3887 - 6.82%  $W_o_3$  was substituted by 1.0%  $W_o_3$  to eliminate bias of one sample)

	<u>Width</u>	<u>% <math>W_o_3</math></u>	<u>% <math>MoS_2</math></u>	<u>Ag(oz)</u>	<u>% Cu</u>	<u>Au(oz)</u>
H.W.	59.7cm(23.3")	.28	.384	.415	.335	Tr
F.W.	105.6cm(41")					

Samples taken by E.D. Kindle, B.C. Minister of Mines Report, 1954.

<u>Location</u>	<u>Width</u>	<u>% <math>W_o_3</math></u>	<u>% <math>MoS_2</math></u>	<u>Au(oz)</u>
4,900'	12"	.38	.14	.02

Samples taken by S. Brown, B.C. Bulletin #42, 1960.

<u>Location</u>	<u>Width</u>	<u>% <math>W_o_3</math></u>	<u>% <math>MoS_2</math></u>	<u>Ag(oz)</u>	<u>% Cu</u>	<u>Au(oz)</u>
4,925'	2'	.82	.100	.2	.36	Tr
4,975'	4'	.84	.062	.3	.043	.01
5,020'	3'	.30	.088	.2	.029	.01

Extreme oxidation of the vein material is marked as evident from comparison of assay results, especially tungsten. There is considerable historic reference to the mineral ferberite ( $CaFeW_o_3$ ), however this mineral could not be identified during the 1979 examination. Although ferberite is considered a refractory mineral, its alteration to iron oxide has been documented by several writers. Scheelite ( $CaW_o_3$ ) would probably not be destroyed by oxidation, however, a decrease in the amount originally present is attributed to the turbulent erosive action of run-off water.

East Zone (Map #5)

There is a parallel vein some 800 feet east of the Main Zone at an elevation of 4,300 feet. The vertical trace of the vein is obscured by talus slopes and overburden. This vein was tested by an 110 foot long adit. There is also a trench about 110 feet above the adit which appears to be on the same structure.

Assay results are as follows:

<u>Sa #</u>	<u>Location</u> <u>Portal</u> <u>Plus</u>	<u>Width</u> <u>cm</u>	<u>%WO<sub>3</sub></u>	<u>%MoS<sub>2</sub></u>	<u>Ag(oz)</u>	<u>%Cu</u>	<u>Au(oz)</u>
3876	8'	37	Tr	-	.02	.11	Tr
3877	63'	30	.24	-	.02	.34	Tr
3878	89'	70	.30	-	.20	.85	.01
3879	26'	23.5	.20	-	.16	.31	Tr
3880	110'	28	.10	-	.20	.63	Tr
3881	110' HF	130	.11	-	.12	.02	Tr
3882	36'	23	1.81	-	.16	1.29	.01
Average		35.3 (13.8")	.393	-	.125	.51	Tr
3892	Trench 4,430'	FW49 (19.1") HW70 (27.3")	.32	-	.02	12.68	.05

The trench contained massive sulfides with visible pyrite, burnite, and scheelite. Sericitic alteration was also common. The vein strikes at 325° azimuth and dips to the southwest at 55°. Minor amounts of tin and uranium are also associated with this vein. Historic assay reference to this vein is as follows:



Reference Kindle

<u>Location</u>	<u>Width</u>	<u>%Wo<sub>3</sub></u>	<u>%Sn</u>	<u>%U<sub>3</sub>O<sub>8</sub></u>	<u>Au(oz)</u>	<u>Ag(oz)</u>	<u>%Cu</u>
Portal plus 18'	7.6cm(3")	2.37	.8	.04	.03		
Portal plus 88'	9.8cm(4")	1.10	1.3	.005	.005		
Trench 4,430'	25.4cm(10")				.14	2.0	11.2

Here again the tungsten values are considerably higher than current assays indicating heavy leaching of vein material. The mineralization is confined to a narrow shear consisting of broken, rusty quartz with branching gash veins which usually contain 4" - 6" of solid chalcopyrite.

Intermediate Zone

A zone of broken, rusty quartz at an elevation of 4,940', about 500 feet east of the Main Zone was sampled. The zone is obscured by talus and overburden and can only be observed along the face of a cliff. The strike of the zone is 340° azimuth and dips to the southwest at 70°. Visible molybdenite and chalcopyrite occur within the zone. Results of the sample are as follows:

<u>Sa #</u>	<u>Width</u>	<u>%Wo<sub>3</sub></u>	<u>%MoS<sub>2</sub></u>	<u>%Cu</u>	<u>Ag(oz)</u>	<u>Au(oz)</u>
3883	59cm(23")	.02	.340	1.15	.10	Tr

Blue Lake Zone

This zone is situated near the head of a cirque about one mile southwest of the Main Zone. This zone was not seen by the author, however J. Kruszewski obtained one sample (3894) which assayed .02% Wo<sub>3</sub> along with negligible other values. The following is a description of the occurrence as documented in G.S.C. Series No. 17 entitled "Tungsten Deposit of Canada", by E.D. Kindle.

"Two veins, slightly over 100 feet apart, are exposed in the wall of a steep granodiorite bluff between elevations 5,450 and 5,600 feet, at the head of a mountain valley a mile southwest of the Black Prince works. The east, or No. 1, vein strikes north 75 degrees west and dips 65 degrees northeast. At the foot of the steep rock face, the vein consists largely of white milky quartz, from 4 to 10 inches wide, and this quartz is estimated to contain up to 10 per cent of tetrahedrite and less than 1 per cent chalcopyrite. The No. 2 vein is exposed for 150 feet up the bluffs and at intervals for about 500 feet south from the top of the bluffs along the top of the mountain. This vein strikes north 15 to 35 degrees west and dips at about 70 degrees to the southwest. Along the bluff No. 2 vein ranges from 1 foot to 3 feet wide and consists largely of sheared granodiorite and vein quartz that carries small amounts of molybdenite. On the steep slope the vein could not be reached to test for scheelite with an ultraviolet lamp. On the more gently sloping ground about 50 feet south of the top of the bluff, a shallow trench at elevation 5,600 feet, disclosed a 5-foot width of vein carrying scheelite, molybdenite and chalcopyrite. Farther south and at elevation 5,525 feet the vein is very well exposed for 100 feet on the strike. There, the deposit ranges from 6 to 14 inches wide, is composed largely of quartz and in most places is estimated to carry from 0.25 to 2.0 per cent of scheelite with roughly equal amounts of molybdenite and a little chalcopyrite. The scheelite is white and occurs as crystals, most of them less than  $\frac{1}{2}$  inch in diameter and many only  $\frac{1}{8}$  inch in diameter. Much of the scheelite is concentrated along one or more dark bands in the quartz. These dark bands are about an inch wide and represent a series of planes along which fault movement occurred parallel with the strike and dip of the vein. Some open cavities present in the dark bands are lined with small euhedral quartz and scheelite crystals. The dark colour probably is due to the presence of many minute, chloritized, hornblende crystals.

A hand specimen typical of the vein material from the south part of this vein exposure assayed: molybdenum 0.85 per cent; tungsten trioxide, 1.00 per cent; and gold, a trace. The  $U_3O_8$  equivalent is 0.004 per cent. Along the projected strike, approximately 300 feet south of the foregoing locality, a small outcrop of bedrock is cut by a hornblendite dyke, within which the vein is only 2 inches wide and carries crystals of white scheelite along a central fracture.

The No. 2 vein is in the Rocher Deboule granodiorite but at elevation 5,525 feet lies 6 feet southwest of a 25-foot-wide dyke of feldspar porphyry. A 2-inch-wide stringer of quartz on the southwest wall of the dyke appears barren.

A third or No. 3 vein is exposed at a point about 2,000 feet northwest from No. 2, and at an elevation of 5,800 feet. This vein strikes north 15 degrees west and dips 75 degrees southwest and into the mountains. At an exposure in a rock trench at the top of a steep granodiorite bluff the vein consists of about 1 foot of vein quartz and 1 foot of sheared granodiorite separated by a trap dyke from 18 to 24 inches wide. The quartz is in part honeycombed and contains an abundance of scheelite, and a little molybdenite and chalcopyrite. The sheared granodiorite on the hanging-wall contains small amounts of scheelite, and in one place a little scheelite was seen over a width of 2 inches in the altered trap on the foot-wall side of the dyke. A hand specimen of the typical vein quartz collected by the writer from the hanging-wall, assayed: gold, 0.08 ounce per ton; tungsten trioxide, 11.31 per cent; and molybdenum, 0.06 per cent. A radioactive test made on the hand specimen prior to grinding, gave 0.004 per cent  $U_3O_8$  equivalent. Pockets of dark coloured altered hornblende and chlorite occur in the vein and in some places these contain a little scheelite, and ferberite. A hand specimen of this dark material assayed: tungsten trioxide, 0.46 per cent; molybdenum, 0.21 per cent; manganese, none; iron, 19.48 per cent. A radioactive test of the specimen gave 0.002 per cent  $U_3O_8$  equivalent.

Freshly broken surfaces of quartz from the hanging-wall show crystals of white scheelite up to 1 inch or more long. On weathered surfaces, however, some of the scheelite crystals display under ultraviolet light a yellow to yellowish green hue from the alteration products, tungstite and meymacite.

O.L. Skogland advises that another parallel tungsten-bearing vein was found late in the summer of 1951. This is reported as 200 feet above and about parallel with No. 3 vein. Skogland collected a sample across 15 inches of this vein and this sample assayed 5.5 per cent tungsten trioxide. A molybdenum-bearing vein is reported to occur another 100 feet higher on the mountain.

Another vein is exposed on a bluff and about 300 feet below No. 3 deposit. Skogland reports this vein is exposed from 75 feet on the strike across a width of from 5 to 10 feet. The strike is northwest and dips northeast about 60 degrees. He describes this deposit as composed mostly of a mixture of fine-textured milky white quartz with some granodiorite, the quartz containing small specks and streaks of grey copper (tetrehedrite). Skogland collected a representative sample and this assayed: gold, 0.02 per ton; and silver, 55.4 ounces per ton."

It appears that examination of maps and assays obtained after the October field trip that Kruszewski possibly followed the wrong cirque, and did not sample this occurrence.

SUMMARY

Three known tungsten deposits occur on the Cro Claims along with molybdenum, copper and silver values. Mineralization is associated with shear zones in proximity to the contact between the Rocher De'boule granodiorite and sediments of the Hazelton Group.

Along the Main Zone reoccurring values of tungsten have been traced for 460 feet vertically and over 800 feet laterally.

Results of the 1979 sampling returned a dollar value of \$123.00 per ton. Much of mineralization associated with the vein material has been leached due to the turbulence of ground water run-off.

Past limited exploration work have been undertaken on the Blue Lake and East Zone. The Blue Lake Zone especially deserves more work because of high silver values and the current spot price of silver which is \$40.00 per ounce. The better grade of mineralization appears to be associated with higher elevations indicating a zoning of mineralization.

RECOMMENDATIONS

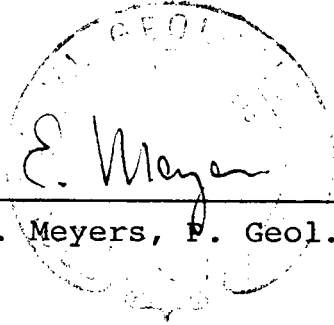
The following program is hereby recommended:

1. Trenching consisting of drilling and blasting be undertaken on all accessible vein exposures on the Main Zone with sampling intervals every 10 feet laterally and to a depth where vein material is unleached.
2. A drill program totalling 2,400 feet be undertaken to test the vein for 600 feet laterally and to a depth of 200 feet vertically (Map #6). Drilling is to be undertaken from two locations situated approximately 100 feet west of vein outcropping.

3. Systematic sampling of the Blue Lake Zone and trenching, when feasible be initiated, especially where silver values are apparent.
4. The Lone Star Showing (Map #3), should be sampled and prospected.
5. An air-photo mosaic and individual air photos of the claims should be ordered, prepared and enlarged for suitable mapping of showings and interpretation of structure.
6. Cro #3 should be dropped as there does not appear to be any known mineralization associated with this claim block.
7. The total cost of the proposed program is \$106,800.00.
8. The logistics of the program involve ordering air photos of the area and commissioning Orhans Reproduction to make up the mosaics.

Get a price quote and time commitment from McConville Drilling Ltd, Houston, B.C., for diamond drilling to begin early August. Move camp and three men into property early in July by helicopter to set up camp, undertake drilling and blasting of older trenches. Also scout suitable location for proposed drill set-up and do whatever site preparation is required to accommodate drill and sump for water supply. Water is available at a comparable elevation about 1,000' west of proposed drill set-up. The third man should supervise trenching and prospecting of the Blue Lake and Lone Star Zone. Arrange for drilling to commence in early - mid August. The drill program should last one month. Equipment for drilling should be trucked to the logging road running up Mudflat Creek and ferried by helicopter to the drill site. A geologist should be retained midway through the drill program to log core, and supervise sampling of trenches and whatever mapping is required.

Respectfully submitted



E. Meyers, P. Geol.

APPENDIX "A"



BUDGET

I Personnel

	\$	\$
1 Geologist		
15 days @ \$250.00 per day	3,750.00	
1 Prospector & Supervisor		
40 days @ \$120.00 per day	4,800.00	
2 Assistants - Trenching, drill, set-up, sampling		
80 man days @ \$100.00 per man day	<u>8,000.00</u>	
		16,550.00

II Mobilization & Demobilization

3 men		
Calgary/New Hazelton/Calgary	2,500.00	
1 Geologist		
Calgary/New Hazelton/Calgary	400.00	
Helicopter Support		
Mobilize from Smithers, B.C.		
Estimate 20 hours @ total of		
\$350.00 per hour	7,000.00	
Drill		
Mobilize and Demobilize	<u>2,000.00</u>	
		11,900.00

III Food & Lodging

	\$	\$
Food		
165 man days @ \$20.00 per man day	3,300.00	
Lodging		
18 man days @ \$25.00 per man day	<u>450.00</u>	
		3,750.00

IV Drilling

2,400' @ a turn-key price of \$25.00 per foot 60,000.00

V Assay

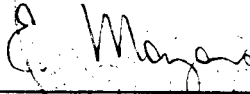
	\$	
100 Gold & Silver @ 9.50	950.00	
100 Molybdenum @ 7.00	700.00	
100 Tungsten @ 10.00	1,000.00	
100 Copper @ 4.50	<u>450.00</u>	
		3,100.00

VI Miscellaneous

Camping Drafting Geological Supplies	800.00	
Drafting & Duplicating Air Photos & Mosaic	<u>1,000.00</u>	
		<u>1,800.00</u>

Total	97,100.00
Contingency @ 10%	<u>9,710.00</u>
TOTAL	<u><u>\$106,800.00</u></u>

Respectfully submitted

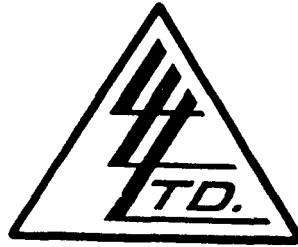


E. Meyers, P. Geol.

APPENDIX "B"

To: Mr. John Kruszewski,  
 760, 320 - 9th Avenue S.W.,  
 Calgary, Alberta

File No. 17986  
 Date October 16, 1979  
 Samples Chip



Certificate of  
**ASSAY**  
**LORING LABORATORIES LTD.**

Page # 1

SAMPLE No.	OZ./TON GOLD	OZ./TON SILVER	% MoS2	% Sn	% Co	% Cu
<u>"Chip Samples"</u>						
3851	Trace	.02	-	-	.01	.93
3852	Trace	.02	-	-	.01	.01
3876	Trace	.02	-	Trace	-	.11
3877	Trace	.02	-	Trace	-	.34
3878	.010	.20	-	Trace	-	.85
3879	Trace	.16	-	Trace	-	.31
3880	Trace	.20	-	.01	-	.63
3881	Trace	.12	-	Trace	-	.02
3882	.010	.16	-	.04	-	1.29
3883	Trace	.10	.340	-	-	1.15
3884	Trace	.02	.021	.01	-	.08
3885	Trace	.02	.015	-	-	.13
3886	Trace	.02	1.04	-	-	.10
3887	Trace	.18	.321	-	-	.03
3888	.110	1.60	.745	-	-	.05
3889	.020	1.46	.365	.01	.02	.35
3890	Trace	.28	-	-	-	.07
3891	Trace	.02	.066	-	-	.60
3892	.050	.02	-	-	-	12.68
3893	Trace	.10	.027	-	-	.25

**I Hereby Certify** THAT THE ABOVE RESULTS ARE THOSE  
 ASSAYS MADE BY ME UPON THE HEREIN DESCRIBED SAMPLES . . . .

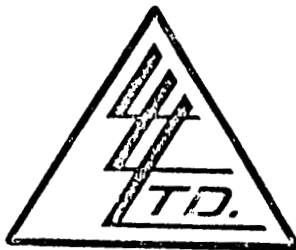
Rejects Retained one month.  
 Pulps Retained one month  
 unless specific arrangements  
 made in advance.

*[Signature]*

Licensed Assayer of British Columbia

APPENDIX I

To: Mr. John Kruszewski,  
 760, 320 - 9th Avenue S.W.,  
 Calgary, Alberta



File No. 17132  
 Date June 18, 1979  
 Samples Rock

*Certificate of*  
**ASSAY of**  
**LORING LABORATORIES LTD.**

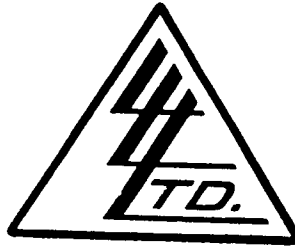
SAMPLE No.	OZ./TON GOLD	OZ./TON SILVER	% WO3	% MoS2
<u>"Rock Samples"</u>				
19651	.010	.19	.27	.284
19652	Trace	.14	.02	.012
19653	Trace	.16	.34	.668
<p><b>I Hereby Certify</b> THAT THE ABOVE RESULTS ARE THOSE                  ASSAYS MADE BY ME UPON THE HEREIN DESCRIBED SAMPLES . . . .</p>				

Rejects Retained one month.  
 Pulps Retained one month  
 unless specific arrangements  
 made in advance.

*Edmond J. Jacobs*  
 Licensed Assayer of British Columbia

To: Mr. John Kruszewski,  
 760, 320 - 9th Avenue S.W.,  
 Calgary, Alberta

File No. 17986  
 Date October 16, 1979  
 Samples Chip



**Certificate of  
 ASSAY of  
 LORING LABORATORIES LTD.**

Page # 3

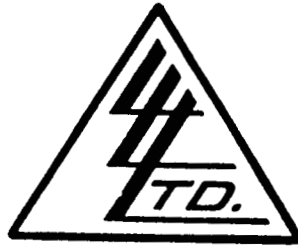
SAMPLE No.	% WO <sub>3</sub>
<u>"Chip Samples"</u>	
3851	Trace
3852	.02
3876	Trace
3877	.24
3878	.30
3879	.20
3880	.10
3881	.11
3882	1.81
3883	.02
3884	.06
3885	.02
3886	.40
3887	6.82
3888	.11
3889	.63
3890	.10
3891	.04
3892	.32
<p><b>I Hereby Certify</b> THAT THE ABOVE RESULTS ARE THOSE          ASSAYS MADE BY ME UPON THE HEREIN DESCRIBED SAMPLES . . . .</p>	

Rejects Retained one month.  
 Pulps Retained one month  
 unless specific arrangements  
 made in advance.

*[Signature]*

Licensed Assayer of British Columbia

To: Mr. John Kruszewski,  
 760, 320 - 9th Avenue S.W.,  
 Calgary, Alberta



File No. 17986  
 Date October 16, 1979  
 Samples Chip

Certificate of  
**ASSAY** of  
**LORING LABORATORIES LTD.**

Page # 2

SAMPLE No.	OZ./TON GOLD	OZ./TON SILVER	% MoS2	% Sn	% Co	% Cu
3894	Trace	.02	-	Trace	-	-

Spectro on 3853 to follow.  
 W03 to follow.

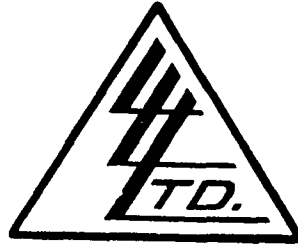
**I Hereby Certify** THAT THE ABOVE RESULTS ARE THOSE  
 ASSAYS MADE BY ME UPON THE HEREIN DESCRIBED SAMPLES . . . .

Rejects Retained one month.  
 Pulps Retained one month  
 unless specific arrangements  
 made in advance.

*[Signature]*

Licensed Assayer of British Columbia

To: Mr. John Kruszewski,  
760, 320 - 9th Avenue S.W.,  
Calgary, Alberta



File No. 17986  
Date October 16, 1979  
Samples Chip

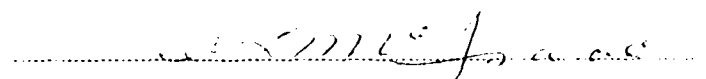
Certificate of  
ASSAY of  
LORING LABORATORIES LTD.

Page # 4

SAMPLE No.	% W03
3893	Trace
3894	.02

**I Hereby Certify** THAT THE ABOVE RESULTS ARE THOSE  
ASSAYS MADE BY ME UPON THE HEREIN DESCRIBED SAMPLES . . . .

Rejects Retained one month.  
Pulps Retained one month  
unless specific arrangements  
made in advance.

  
Licensed Assayer of British Columbia