L & G RESOURCES LTD.

GEOLOGICAL REPORT

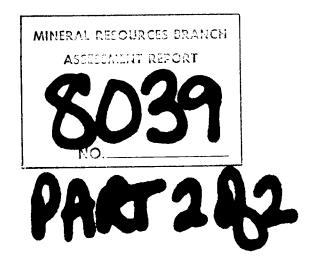
GOLD SHOWINGS MONTY CLAIM GROUPS

PERKINS CREEK - STANLEY AREA

BARKERVILLE DISTRICT

CARIBOO MINING DIVISION

B. C.



Vancouver B.C. August 20, 1979. CLIVE W. BALL, P.Eng. Consulting Geologist

APPENDICES

Appendix A -	Exploration Work Program -
	Estimated Costs.
Appendix B -	References
Appendix C -	Writer's Certificate
Appendix D -	Assay Certificate No. 7908-2078 General Testing Laboratories Date: August 23, 1979.

MAPS

(i)	Wells	Topographic	Sheet.

Scale 1: 50,000

(ii) B.C.Government Mineral Claim Map.

(iii) Map of Stanley Area included in B.C.Department of MinesBulletin No. 26 by S.S.Holland, Victoria, B.C., 1948.

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I. CONCLUSION AND RECOMMENDATIONS

Immediately north of the Monty B Claim Group, auriferous quartz veins have been extensively tested by surface trenching, shafts and adits. The quartz veins occur in the Richfield formation which is the basal section of the Cariboo Group. The results are encouraging but no records of production are available. It appears that the quartz veins generally run from 6 inches to 2 feet in width. Average grade is subject to conjecture but may be as high as 0.3 ounces gold per ton.

Length of ore shoots is not indicated but is probably of the order of 150 feet to 200 feet. Careful sampling by S.S.Holland shows that the quartz veins have a fair potential although the gold values are quite erratic.

Extensive work for placer gold on Lightning Creek, Amador, Perkins and Chisholm Creeks has given rise to spectacular yields of gold.

From the point of view of ledges or favorable bedrock, the best areas worthy of testing are those close to the Grub Gulch - Perkins Creek fault and to the Spruce Canyon fault which trend North-North-East through the Monty Claim Groups.

In order to test the ground thoroughly it would be necessary to carry out a program of surface trenching with a bulldozer, and if results are encouraging then a program of surface diamond drilling would be warranted.

It is recommended that such a program be carried out at a total estimated cost of \$75,000.00.

II. INTRODUCTION

On July 31st, 1979, the writer made an examination of the known showings where hard-rock mining was carried out in the Perkins Creek area near Stanley. No recent exploration or excavations have been conducted in the vicinity of the Monty claims. The writer was accompanied by Mr. J.E. La Fleur and Mr. John Ball.

III. LOCATION AND ACCESS

The property lies on the South slope of Burns Mountain and is bisected by Perkins and Amador Creeks which flow into Lightning Creek. The Wells-Barkerville highway provides easy access by driving 45 miles east from Quesnel to the ghost town of Stanley, which lies at the western boundary of the property. Stanley is at the junction of Chisholm Creek and Lightning Creek and from this point access is by 4 wheel-drive jeep road to the main showings on Perkins Creek. Elevations range from about 3,800 feet above sea level at Stanley to 5,200 feet above sea level at the north end of the claims.

Tree cover consists of douglas fir, spruce, jack-pine and balsam up to 3 feet girth. Underbrush is moderate and consists of willows and alders.

Terrain is steep with slopes up to 30 degrees.

Centre of the claim groups is Latitude 53° 02' 30" North and Longitude 121° 41' 00" West.

IV. PROPERTY AND OWNERSHIP

A total of 40 units in two contiguous claim blocks known as Monty A and Monty B are held by location and recording.

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Research by the writer in the sub-mining Recorder's Office in Vancouver confirms ownership as being vested in the hands of Jack E. La Fleur, Secretary of L & G Resources Limited. An option agreement has been signed between Jack E. La Fleur and L & G Resources Limited whereby the latter company has the option to purchase 100% interest in the Monty A and B groups of claims totalling 40 units covering approximately 2,000 acres. The claims are in good standing until June 6, 1980.

V. HISTORY AND PRODUCTION

Initial important placer-gold discoveries were made in 1861 and the original lode discoveries were made in the 1870's. The total placer-gold production in the Lightning Creek area since 1874 is valued at about \$2 million but the total production since 1861 may be as high as \$12,000,000 according to S.S.Holland in his 1948 geological report on the Stanley area. The bulk of the placer-gold from Lightning Creek was mined in an 8,000 foot stretch extending down stream from the mouth of Van Winkle Creek almost to Stanley.

No record is available as to the production of lode gold from the Perkins Creek showings, but no large mining operations for lode gold have been attempted up to this time.

The first quartz-vein discoveries were made on Burns Mountain in the early 1870's. This occurrence is located to the north of L & G Resources property. Other showings although lying north of Monty B Group, were worked in the early 1880's, up until at least 1946. These include the Cohen workings, the Perkins veins and the Galena Vein. Extensive pitting, trenching and underground work such as inclines, vertical shafts and adits attest to the work of the old-timers, but production would appear to be very small and probably considerably less than a few hundred tons of ore.

VI. GENERAL GEOLOGY

The Stanley area lies in the Richfield formation which is in the basal section of the Cariboo Group of Lower Cambrian or Pre-Cambrian age. The Richfield formation is dominantly quartzitic but argillaceous quartzites, grits, conglomerates and chlorite schists occur. Slates and argillites are quite common in the Monty Claim Group area and rare beds of limestone have been noted. Ankerite is a common mineral in the rocks.

The Richfield formation along with other members of the Cariboo Group has been folded into a broad anticlinorium the axis of which trends North-West.

In the Perkins Creek – Stanley area, the rocks although considerably folded generally have a North-westerly to North strike with low to moderate North-easterly to Easterly dips (20 degrees to 35 degrees).

Drag folding is common and S.S.Holiand describes two strong normal faults which trend North-North-East through the L & G Claim Groups in the vicinity of Perkins Creek. The writer has taken the liberty of naming these faults the "Grub Gulch - Perkins Creek" fault and the "Spruce Canyon" fault.

Strong jointing systems parallel to the above faults appear to be related in some manner to mineralization by gold-bearing quartz veins.

The quartz veins occurring in the Perkins Creek - Burns Mountain area fall into the "B" vein category and strike North 10 degrees East to North 35 degrees East with steep dips to the West.

VII. MINERALIZATION

Free gold occurs in the Perkins veins where it is reported to occur in cubical cavities from which pyrite has been leached.

Coarse pyrite is considered a good indicator for gold, and sphalerite and galena accompany the gold mineralization in the milky white quartz. The quartz is commonly vuggy and carries siderite. Brecciation is not uncommon especially in the Perkins veins.

VIII. DESCRIPTION OF SHOWINGS

The writer's observations in the field were confined almost exclusively to the Cohen incline area, the Perkins veins and the dump material derived from the long adit with its portal on the south boundary of Lot 10727C as shown on S.S.Holland's map accompanying Bulletin 26, B.C. Department of Mines.

The following brief descriptions are appropriate, but it must be borne in mind that these exposures are on ground adjoining the Monty Groups.

(i) <u>Cohen Incline Area</u>

A steeply dipping vein of white quartz was observed cutting across spotted slate country-rock. The quartz is milky-white, vuggy and carries minor pyrite and siderite. The observed quartz vein is 6 inches to 12 inches thick and dips at 70 degrees to the N.W. following a strong wall.

It is estimated that about 1200 pounds of mineralized quartz lies on the surface. Three grab samples were taken of surface dump material as follows:

	Assa	ау
	Gold	Silver
	Ounces per ton	Ounces per ton
Sample No. 1	0.002	0.13
Sample No. 2	0.002	0.19
Sample No. 3	0.044	0.17

(ii) <u>Perkins Veins</u>

An old shaft was examined on Rob No.1 Mineral Claim. It was sunk on part of the Perkins vein system described by S.S.Holland in Bulletin 26 where it is reported that bulldozer stripping was carried out in 1946.

Dump material shows considerable quartz with pyrite and galena. The quartz is commonly brecciated and milky-white.

Two grab samples were taken to represent the scattered quartz vein material on the dump and assayed as follows:-

Assay

	Gold	Silver
	Ounces per ton	Ounces per ton
Sample No. 4	0.347	0.72
Sample No. 5	0.002	0.09

A sample of finely crushed rock previously treated in an old arrastre or stone-mill was taken by the writer and assayed as follows:

	Assay	
	Gold	Silver
	Ounces per ton	Ounces per ton
Sample No. 6	0.476	0.22

(iii) Adit with Portal on South Boundary of Rob No.2 Mineral Claim

This adit corresponds to the long cross-cut tunnel driven a total distance of 2160 feet at elevation 4,844 feet on the south slope of Burns Mountain as described by S.S.Holland. A shear zone 40 feet wide was cut in the adit and a vein of quartz 2 feet wide was intersected near the end of the adit at a point about 2,090 feet from the portal.

The solid rock at the portal consists of argillaceous schist and grey quartzite striking 345 degrees and dipping at 35 degrees North-east.

Abundant quartz is strewn over the dump in which the predominant rock type is slate. The quartz is milky-white and vuggy. It contains coarse pyrite crystals and abundant siderite.

The following grab sample represents widely scattered specimens of quartz rock on the dump:

Addate

	ASSAY	
	Gold	Silver
	Ounces per ton	Ounces per ton
Sample No. 7	0.028	0.05

IX. <u>PROPOSED WORK PROGRAM - Surface Exploration, Trenching</u> and Diamond Drilling

Field observations of showings known as the Perkins Vein and Cohen Incline workings suggest that gold-bearing quartz veins warrant further exploration with the objective of finding veins averaging 1 foot to $l\frac{1}{2}$ feet running 0.3 to 0.5 ounces gold per ton. In order to thoroughly test the ground it would first be necessary to run a series of bulldozer trenches in the areas where it appears that the soil and overburden are not too thick. This would constitute the initial stage of testing estimated to cost \$20,000.00.

The second stage of testing would require the use of a diamond drill for, say 5 four hundred foot holes, or 2,000 feet of drilling at an estimated cost of \$50,000.00.

No provision has been made for opening up the old adits, incline shafts and underground workings as this is not expected to be productive. The writer considers it more expedient to concentrate on the surface trenching as a prelude to surface diamond drilling in order to find and delineate commercial ore shoots.

Respectfully submitted,

Clive N. Ball, P. Eng.

Clive W. Ball, P.Eng. Consulting Geologist

Vancouver, B.C. August 20/1979

APPENDIX A

EXPLORATION WORK PROGRAM

ESTIMATED COSTS

 Transportation and mobilization of crew (3 men)	\$ 1,000.00
 Wages, meals and accommodation for 3 men for 30 days 	8,000.00
3. Supervision (Engineering)	3,000.00
 Bulldozing - D-7 Cat (including access by Low-Boy transport vehicle) 	7,000.00
5. Diamond Drilling 2,000 feet at \$25.00/ft.	50,000.00
6. Contingencies	6,000.00
Total	\$ 75,000.00

Respectfully submitted,

Clive N. Ball, P. Eng.

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Clive W. Ball, P.Eng. Consulting Geologist

Vancouver, B.C. August 20, 1979.

APPENDIX B.

REFERENCES

Bowman, A.	Report on the Geology of the Cariboo Geological Survey of Canada Report 1887-88 Part VIII, 1889.
Hanson, G.	Barkerville Gold Belt, Cariboo District, B.C. Geological Survey of Canada Memoir 181.
Johnston, W.A. and Uglow, W.L.	Placer and Vein Gold Deposits of Barkerville, Cariboo District. Geological Survey of Canada Memoir 149.
Uglow, W.L.	Bedrock and Quartz Veins, Barkerville. Geological Survey of Canada Summary Report 1922, Part A, pages 82-87.
Holland, S.S.	Report on the Stanley Area Cariboo Mining Division Bulletin No. 26, British Columbia Department of Mines, Victoria, 1948.
Campbell, R.E.	Quesnel Lake (west half), British Columbia Geological Survey of Canada Map 3 - 1961.
Sutherland-Brown,A.	Geology of the Antler Creek Area, Cariboo District, B.C. B.C.Department of Mines Bulletin 38 - 1957.

APPENDIX C

WRITER'S CERTIFICATE

I, Clive W. Ball, of 3191 West 36th Avenue, Vancouver, B.C. hereby certify as follows:

- 1. I am a consulting geologist residing at the above address.
- 2. I am an honours graduate of the University of Queensland, Brisbane, Australia, holding a M.Sc. degree in Geology and Mineralogy.
- 3. As a geologist I have practised my profession since 1935 in mining geology and exploration. For 30 years, I was employed as a geologist on the staff of Placer Development Limited, retiring as Chief Geologist in February 1978.
- 4. I am registered as a member of the Association of Professional Engineers (Geological) of the Province of British Columbia.
- 5. My knowledge of the property of L and G Resources Limited is based on a field examination on July 31st, 1979, in addition to a review of the published literature of the Stanley Area.
- 6. I hold no interest whatsoever in the property of L and G Resources Limited.

Respectfully submitted,

Clive w. Ball, P. Eng

Clive W. Ball, P.Eng. Consulting Geologist

Vancouver, B.C. August 20, 1979



TO: L & G RESOURCES LID. 26 - 640 Burrard Street Vencouver, B.C. V6N 284

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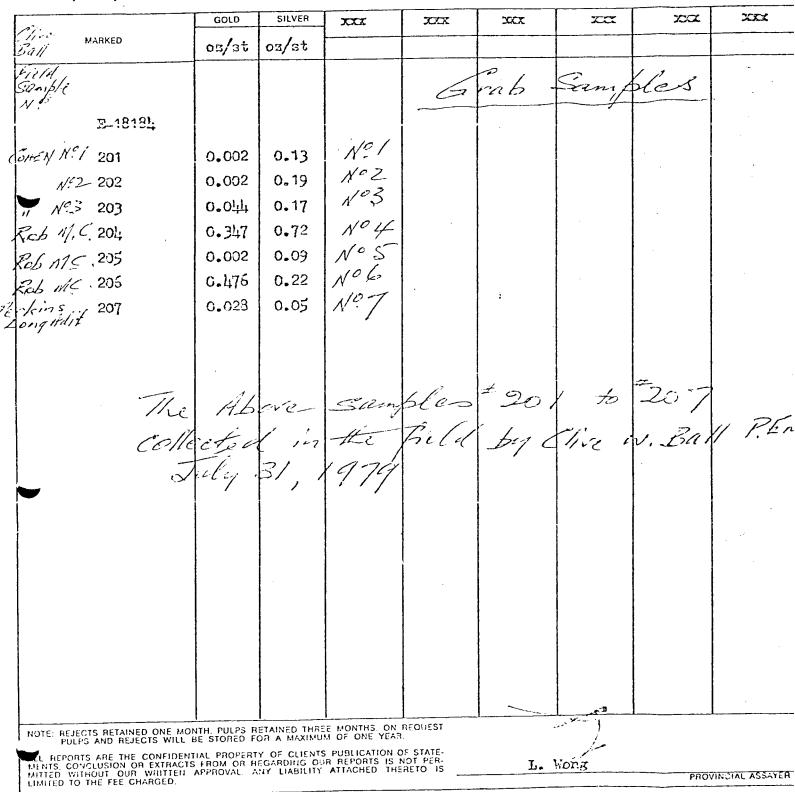
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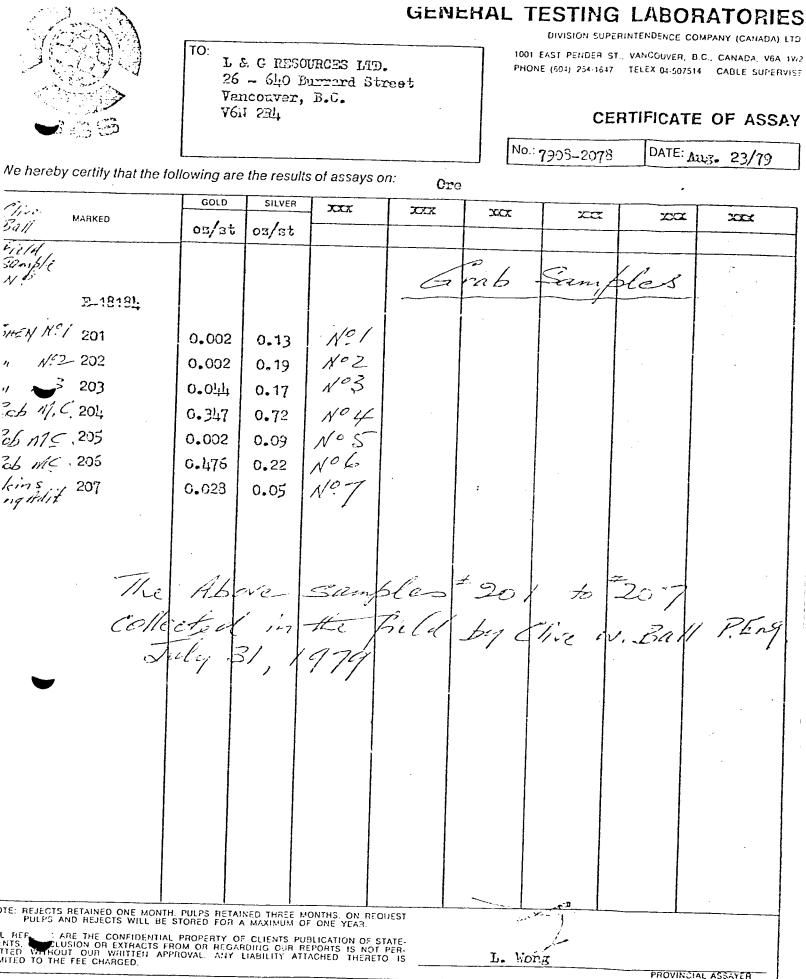
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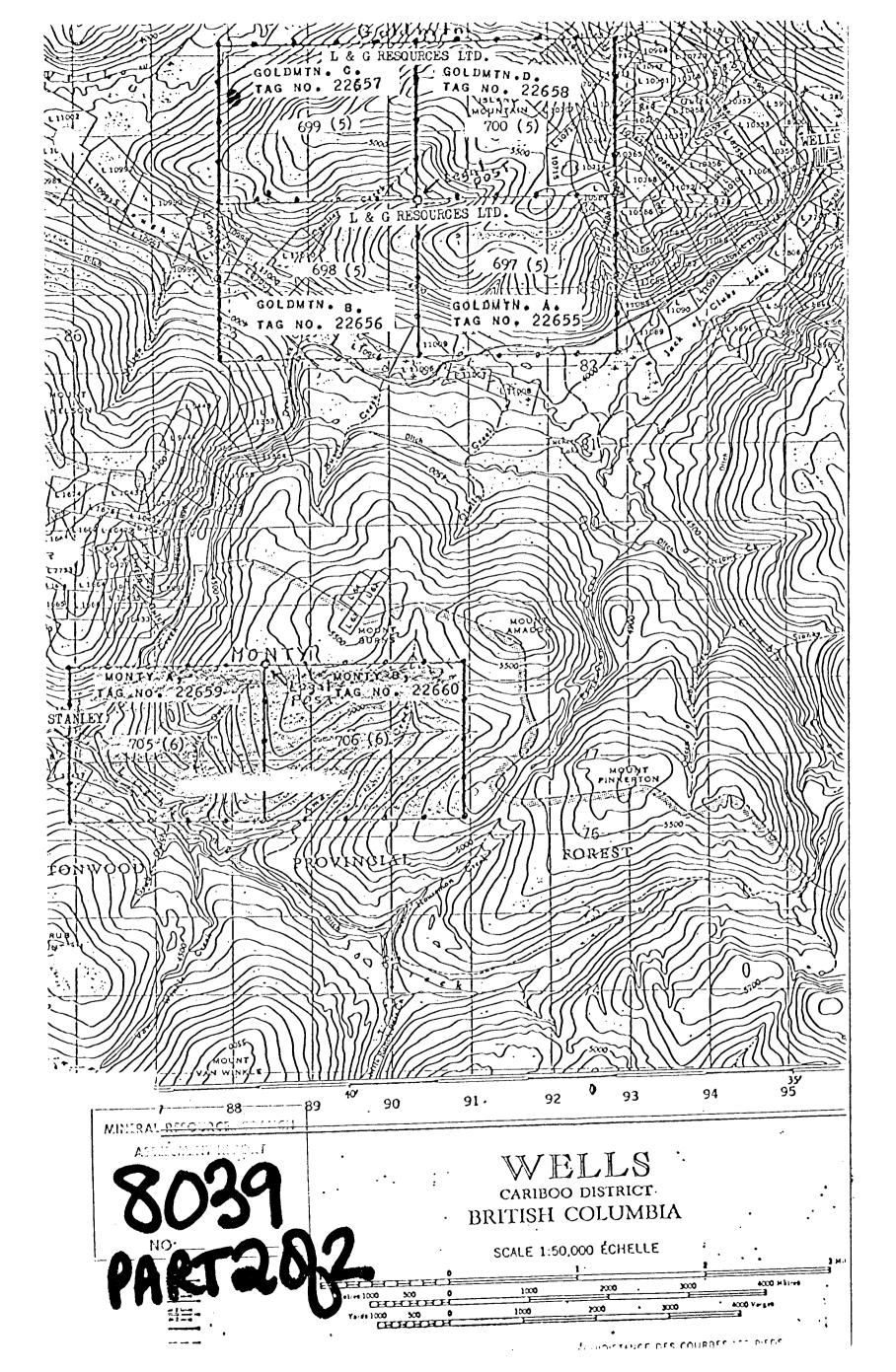
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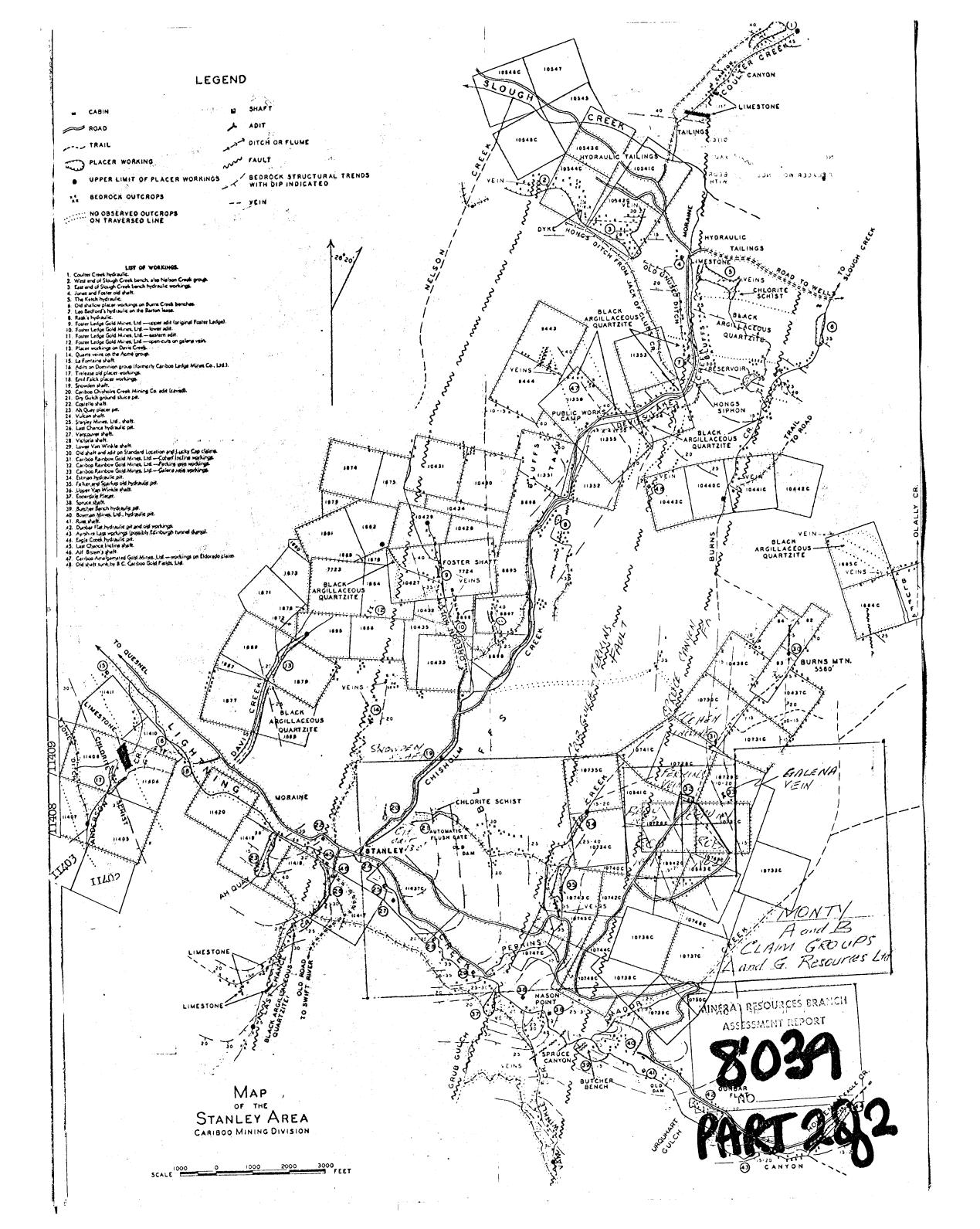


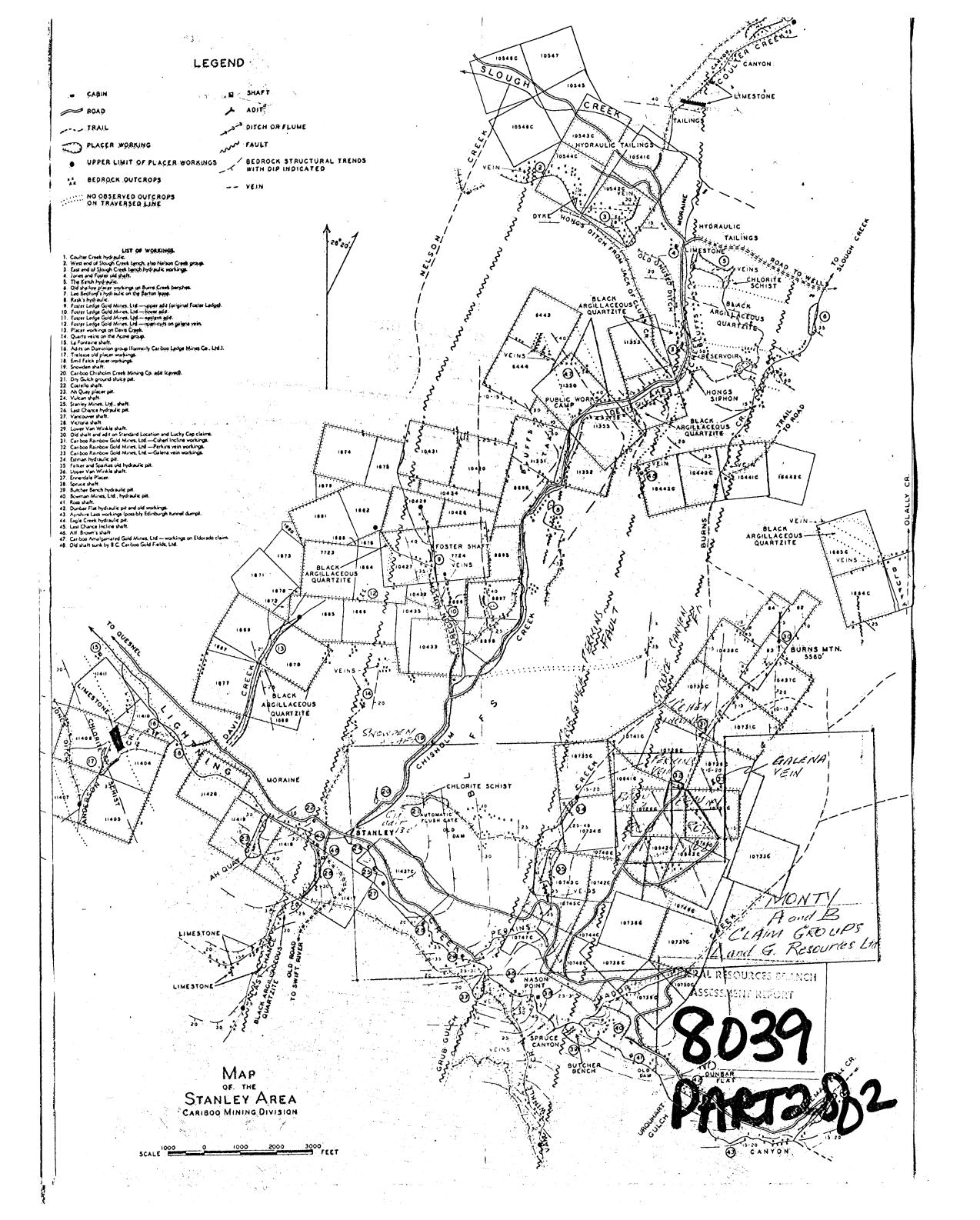
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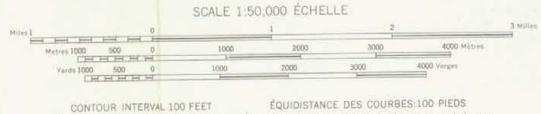




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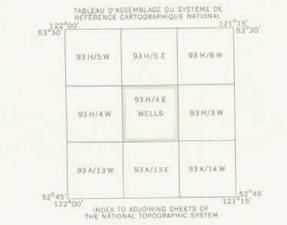
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