

180 # 589 - # 8393

GEOLOGICAL REPORT

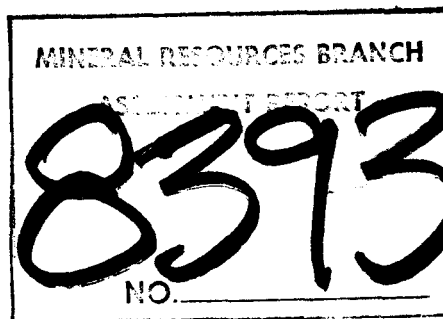
MINERAL CLAIMS CHRIS 1 - 4

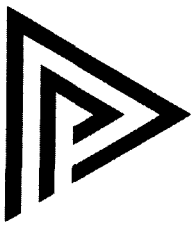
Record Nos. 1788 - 1791
Skeena M.D. 103 I/15 W
Lat. 129°58' Long. 54°47'

Owner: D. H. James
Operator: Prism Resources Limited

Author: Norman W. Stacey
Arctex Engineering Services

Date: October 1980





**Prism
Resources
Limited**

Letter of Transmittal

The report presented herewith for Assessment Work is by Norman W. Stacey of Arctex Engineering Services. This firm was engaged by the operator, Prism Resources Limited, to perform the work described. I inspected the property after the work was completed and it is my opinion that the work was thoroughly and competently carried out.

Surface work on a vein on this property led to drilling of two holes and the driving of an adit with short crosscuts in 1962. The portal of the adit was caved in and no record of work could be obtained except for an outline sketch from the files of the B.C. Dept. of Mines.

As a necessary preliminary to evaluation of the property I recommend reopening and retimbering the portal, scaling the adit and mapping and sampling the workings. It is this work which Mr. Stacey's report describes. Because the objective was the mapping and sampling it is presented as a Geological Report. The cost of helicopter transportation is somewhat high for a project of this sort, but was estimated to be no more than the expense of establishing and removing a camp.

The Surface Plan was prepared by me to show the relationship of the various surface workings to the adit. Collars of the two diamond drill holes could not be located on the ground with any certainty and are plotted from the sketch previously mentioned.

D. H. James P. Eng.

DHJ: amb
Oct. 20/80

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INTRODUCTION

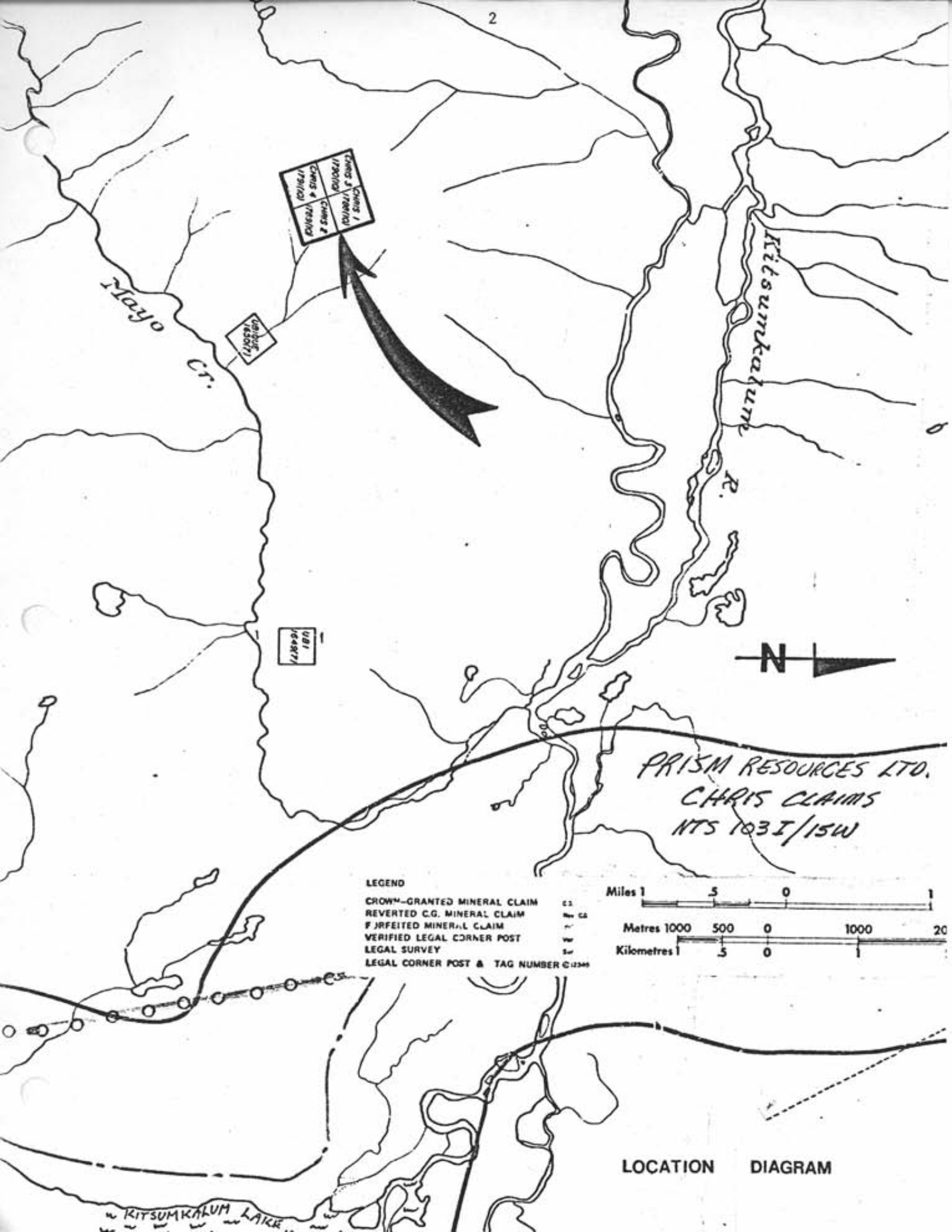
The property consists of 4, 2 Post Mineral Claims, situated 50 km north-northwest of Terrace, B. C. Straddling the ridge between Mayo Creek and Kitsumkalum River Valley, the property ranges from approximately 3000' to 4500'.

Topography is rugged, being relatively recently denuded of ice and snow. Unstable rock bluffs and scree slopes predominate with only non-utilisable stunted pine and mixed species on small benches. Access, conditional to weather, is about 25 minutes by air from Terrace, where both Northern Mountain Helicopters and Okanagan Helicopters maintain bases. Staging for more extensive efforts could be afforded from logging roads, which pass within 2 or 3 km up either Mayo Creek Valley or Kitsumkalum River Valley. Old reports refer to a steep walking trail from the Mayo Creek side.

The adit is located at 4260.92' at the base of a 70-foot, northeast/southwest-trending, northwest-facing bluff. The site is easily recognised when approached from the northwest, by an abandoned campsite, including several oil drums and sawn lumber, atop the bluff.

The portal is located 25 m at 343° from a point 175 m northwest along the claimline from the initial post of the Chris claims.

Previous prospecting and trenching had located several auriferous veins in the vicinity. In 1959 V. B. Bjorkman inspected and reported on the property for Conwest Exploration Company Limited. Several of his recommendations were pursued in the early 1960s by Kootenay Base Metals



Claims 1 1/20/10	Claims 2 1/29/10
Claims 3 1/20/10	Claims 4 1/29/10

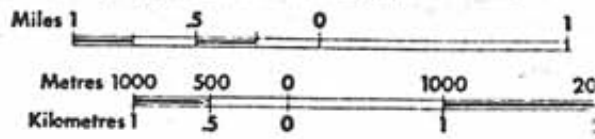
UBI
164877

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PRISM RESOURCES LTD.
CHARIS CLAIMS
NTS 1031/15W

LEGEND
 CROWN-GRANTED MINERAL CLAIM C1
 REVERTED C.G. MINERAL CLAIM R1
 FORFEITED MINERAL CLAIM F1
 VERIFIED LEGAL CORNER POST V1
 LEGAL SURVEY S1
 LEGAL CORNER POST & TAG NUMBER C12345



LOCATION DIAGRAM

Kitsumkalum LAKE

Limited. These included approximately 230 feet of diamond drilling in two holes, and in excess of 250' of underground drifting. The property was restaked in 1979, and more recent staking in the vicinity is reportedly molybdenum-oriented. Work covered by this report was restricted to reopening and inspecting the underground workings. It is understood further surface exploration is planned.

REGIONAL GEOLOGY

Published geology on a scale of 1:253,440 shows the property to be underlain by greywacke, conglomerate, argillite and minor tuff of the Lower Cretaceous or Upper Jurassic Bowser Group. Within 2 km to the east and southeast is a granodiorite inlier of Cretaceous or later, Coast Intrusion, which in this vicinity hosted the Martin Group of Claims.

FIELD WORK

Unseasonably restrictive weather limited flying, such that field work extended from Friday, the 25th of July, to Wednesday, the 30th of July inclusive. A two-man party commuted to the property from Terrace. Caved blocks at the portal were broken to manageable size and mucked out, and minor loose on the back barred down. Two sets of portal timbers were rehabilitated to assure continuous access. Interior timbering and air quality were tested and deemed adequate. Removal of loose from above otherwise sound timbers, and installation of venturi pipe to improve air circulation would be required for extensive work or major disturbance.

The working is currently sound for access and air adequate for inspection.

The back and walls of the drift and crosscuts were mapped on a scale of 1:100, and 9 samples collected over stronger structures, or those appearing more amenable to economic mineralisation.

RESULTS

A central reference line bearing 082.5° and 2 m intervals were established and marked down the main adit. Perpendicular lines for crosscuts were appended. Pertinent features of the back and walls of the main drift were sketched for its length of 57.1 m from the first timber set, as well as for the crosscuts. Salient features of both were noted, and the whole is presented on the appended plan.

Representative chip samples were collected over the following intervals:

- C.U. 1 55 cm across back from centre line to south wall. 50 cm brecciated quartz, argillite and limonite with 5 cm quartz vein at south extremity.
- C.U. 2 East wall of the "42.66 m Crosscut" to north. 85 cm continuous horizontal chip sample from 2 m line to 2.85 m, 80 cm above floor. Junction of several small veins and splinters constituting 85% of the sample distance.
- C.U. 3 East wall of the "42.66 m Crosscut" to south. 63 cm continuous vertical chip sample at 2.5 m. Friable grey limey argillite with 5% white calcite and rare quartz lenses to 10 cm x 1 cm. Trace visible pyrite in calcite lens.

- C.U. 4 Back, at approximately 31 m. Chip sampled across 15 cm. Gable formed by two intersecting fractures, the more northerly of which trends $065^{\circ}/63^{\circ}\text{N}$ with 15 cm friable gouge zone.
- C.U. 5 Back, at approximately 27 m. Chip sampled across 20 cm. Gable formed by two intersecting fractures, the more southerly of which trends $245^{\circ}/75^{\circ}\text{S}$ and is represented by intercalated laminae (to 3 cm) of quartz, friable limonite and fissile carbonaceous argillite.
- C.U. 6 West wall of the "23.4 m Crosscut" to south. 65 cm continuous horizontal chip sample from 1.20 m to 1.85 m, 55 cm from floor. Bifurcating vein.
- C.U. 7 West wall of "23.4 m Crosscut" to south. 50 cm continuous horizontal chip sample from 2.5 m to 3.0 m, 60 cm from floor. Samples vein material up to face.
- C.U. 8 West wall of "15.56 m Crosscut" to south. 1 m continuous horizontal chip sample from 2.3 m to 3.3 m, 60 cm from floor. Very broken brecciated vein zone as mapped.
- C.U. 9 West wall of "15.56 m Crosscut" to south. 1.4 m continuous horizontal chip sample from 3.3 m to 4.7 m, 60 cm off floor. Across broken broad vein structure containing 30% white lenticular quartz lenses paralleling cavity. Very friable in southernmost 0.5 m.

Samples were shipped to Chemex Laboratories for geochemical analysis of Cu, Mo and As, and assay of Ag and Au. Results are appended as reported.

DISCUSSION OF RESULTS

i) STRUCTURE. The adit was evidently driven along strike in footwall argillite of a major steeply south-dipping shear vein, reportedly the source of impressive gold assays from surface trenching upslope. Southward crosscuts were apparently intended to intersect this structure, as has been achieved in the "15.56 m Crosscut", where an extensive cavity was found. Numerous smaller apophyses or epiphyses depart this structure arc-ing away northward. Subparallel and possibly unconnected smaller veins and shears are also evident. All the above can be observed bifurcating, merging and converging, to form an extensive network, but an east-west trending south-dipping orientation is most repeated.

These splinter veins rarely attain mineable width and while frequently appearing strong and well developed, can generally be observed to diminish rapidly over relatively short distances. The north crosscut was evidently driven along such diminishing apophyses.

ii) MINERALIZATION. While not exhaustive, the sampling is considered representative of stronger structures and amenable lithology. Gold values ranged from detection level to 0.048 oz/ton, averaging 0.018 oz/ton in the 7 assays above detection limit. The highest value was obtained adjacent to the cavity which aligns with the major vein structure. The next highest value is outward of this suggesting a decrease away from the main vein. Silver values ranged from 0.04 to 0.70 oz/ton, the highest and second highest values being similarly adjacent to and next out from the major vein as intersected in the "15.56 m Crosscut".

Geochemical analyses for Cu, Mo and As did not vary with proximity,

to the vein. High copper values do coincide with the intersecting fractures forming a gable in the back. Other elements exhibit no obvious correlation with either each other nor gold and silver.

iii) GENERAL. The crosscuts nowhere break through into the assumed hangingwall of the major shear vein evident on surface, and hence no full section of lode is exposed.

The sampling results are in agreement with D. R. Cochrane (1968), who reported:

Grab sample from new adit 0.04 oz/ton Au, 0.24 oz/ton Ag

Grab sample 20' from face

in new adit 0.04 oz/ton Au, Tr oz/ton Ag.

It is noteworthy that a channel sample in the same report ran 0.52 oz/ton Au and 1.56 oz/ton Ag, across 14" in the trench above the adit, and reported blebs and pods of galena, pyrite, arsenopyrite and chalcopyrite within the quartz. This richness of sulphides is nowhere evident underground.

CONCLUSION

The adit driven in the fall of 1962 remains in sound shape, but does not appear to have crosscut the major shear-vein system, evident on surface above and south of the portal. Numerous smaller epiphyses and apophyses are intersected in the footwall and adjacent argillite. These smaller structures lack continuity of orientation and width and do not appear to carry either significant sulphide nor precious metal values. Best Ag and

Au values were obtained from the crosscut which intersects a cavity on trend with and which is likely a part of the major shear-vein structure, and decreased away from it.

Reported showings on surface contained significantly greater sulphide and precious metal content; these may be caused by surface enrichment, or may occur in a pod which may not continue at depth. Two previous drill holes would likely have intersected the vein structures between surface and the adit level and may confirm the decrease of values with depth if data are available. The hangingwall of the major vein structure has not been investigated and may be a potential target. Drill cores may elucidate this if they, or their records, are obtainable.

SUGGESTIONS

1. Detailed sampling of selected, narrower vein intervals would likely produce higher values for possible selective mining if this is deemed desirable.
2. A flat drill hole south from the face of the "15.56 m Crosscut" could readily probe the hangingwall and/or any unexposed section of the major shear vein structure.
3. Any contemplated additional surface exploration should concentrate by surface prospecting or geophysical methods, locating a potential parallel structure.

Norman W. Stacey
Geologist

Vancouver, B. C.
September 20, 1980

STATEMENT OF QUALIFICATIONS

I, Norman W. Stacey, of #305, 2320 Trinity Street, Vancouver, British Columbia, V5L 4W7, state that:

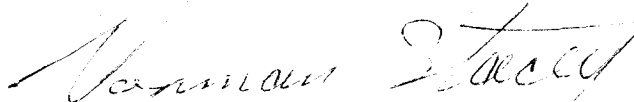
I am a graduate of the University of Auckland, New Zealand, with a B.Sc. degree in Geology and Applied Geophysics.

Since graduation in 1974 I have pursued my profession in Geology. I have been employed as a Geologist in Western Australia and Northern and Western Canada, and as a Research Assistant at the University of British Columbia.

I am currently employed by Arctex Engineering Services.

I have conducted the examination described in this report and believe its contents to be fair and accurate statement of field work.

I have no pecuniary interest in the Chris Claims, nor any other claim in the vicinity, nor in shares of Prism Resources Ltd., nor do I expect to receive any.



Norman W. Stacey
Geologist

BIBLIOGRAPHY

Bjorkman, V. B. (1959) Report on the Beaver Group. Terrace, B. C.

Conwest Exploration Company Limited.

Cochrane, D. R. (1968) Rex and Oro Option, Cupra M. & S.

Hyde, W. E. (1960) Report on Beaver Group, Terrace, B. C. FOR:

Bralorne Pioneer Mines Limited.

Price, Franklin (1962) Section N 09 W, and Plan of Adit One.

Kootenay Base Metals Ltd.

Sheet 103 I/15 Kitsumkalum Lake, Edition 2. 1:50,000. Surveys and

Mapping Branch, Dept. of Energy, Mines and Resources.

Map 1136A Geology, Terrace. 1:253,440 Geological Survey of Canada.

COST STATEMENT

1. Invoice of Arctex Engineering Services

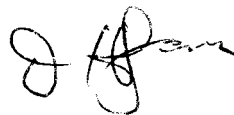
Geologist -	
Travel July 23, 24 - 2 days @ \$200/day	\$ 400.00
Field Work July 25-30 - 6 days @ \$200/day	1,200.00
Report Preparation August 14, September 17, 20 3 days @ \$200/day	600.00
Assistant -	
Travel July 21, 22, 23, 24 - 4 days @ \$120/day	480.00
Field work July 25-30 - 6 days @ \$120/day	720.00
Supervision -	
L. B. Goldsmith ½ Aug. 31, ½ Sept. 20 1 day @ \$280/day	280.00
Accommodation July 24 - 30 inclusive 7 nights, 2 men @ \$29.60/nigh	207.60
Food July 23-30 - 8 days, 2 men @ \$14.10/man/day	225.00
Supplies and equipment (explosives, timber)	381.40
Ground Transportation	182.35
Drafting	
M. Izard 2½ days @ \$140.00	350.00
Materials	28.20
Report Preparation	124.27

Sub-total \$5,178.82

2. Invoices of Northern Mtn. Helicopters

Sub-total \$2,001.00

TOTAL: \$7,179.82





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NORTH VANCOUVER, B.C.
CANADA V7J 2C1
TELEPHONE: 984-0221
AREA CODE: 604
TELEX: 04-352597

• ANALYTICAL CHEMISTS • GEOCHEMISTS • REGISTERED ASSAYERS

CERTIFICATE OF ASSAY

TO: PRISM RESOURCES LTD.
409 Granville Street
Vancouver, B.C.

PROJECT: Chris Adit

ATTN: Don James

cc - Norman W. Stacey

2960 W. 41 Ave., Van., V6N 3C7

CERTIFICATE NO. 69789

INVOICE NO. 38869

RECEIVED Aug. 18/80

ANALYSED Sept. 22/80

SAMPLE NO. :	Ag	Au
	Oz/Ton	Oz/Ton
C.U. 1	0.07	0.022
2	0.04	0.010
3	0.04	< 0.003
4	0.19	0.003
5	0.08	0.018
6	0.10	0.003
7	0.39	< 0.003
8	0.50	0.026
C.U. 9	0.70	0.048

ALSO ON A8010035



MEMBER
CANADIAN TESTING
ASSOCIATION

REGISTERED ASSAYER, PROVINCE OF BRITISH COLUMBIA



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NORTH VANCOUVER, B.C
CANADA V7J 2C1
TELEPHONE: (604)984-0221
TELEX: 043-52597

• ANALYTICAL CHEMISTS • GEOCHEMISTS • REGISTERED ASSAYERS

CERTIFICATE OF ANALYSIS

: Prism Resources Ltd.
409 Granville Street
Vancouver B.C.

CERT. # : A8010035-001-A
INVOICE # : 38450
DATE : 04-SEP-80

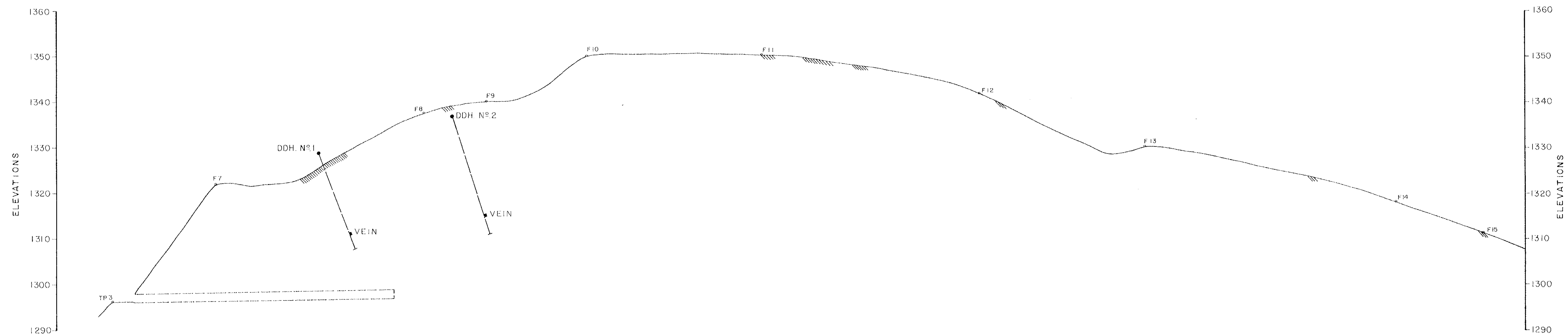
ATTN: DON ~~JAMISON~~

Sample Description	Cu ppm	Mo ppm	As ppm	
TJ-1	84	2	>500	--
TJ-2	96	1	500	--
TJ-3	50	1	120	--
TJ-4	500	3	>500	--
TJ-5	615	1	500	--
TJ-6	196	2	350	--
TJ-7	144	2	>500	--
TJ-8	104	1	420	--
TJ-9	102	1	>500	--

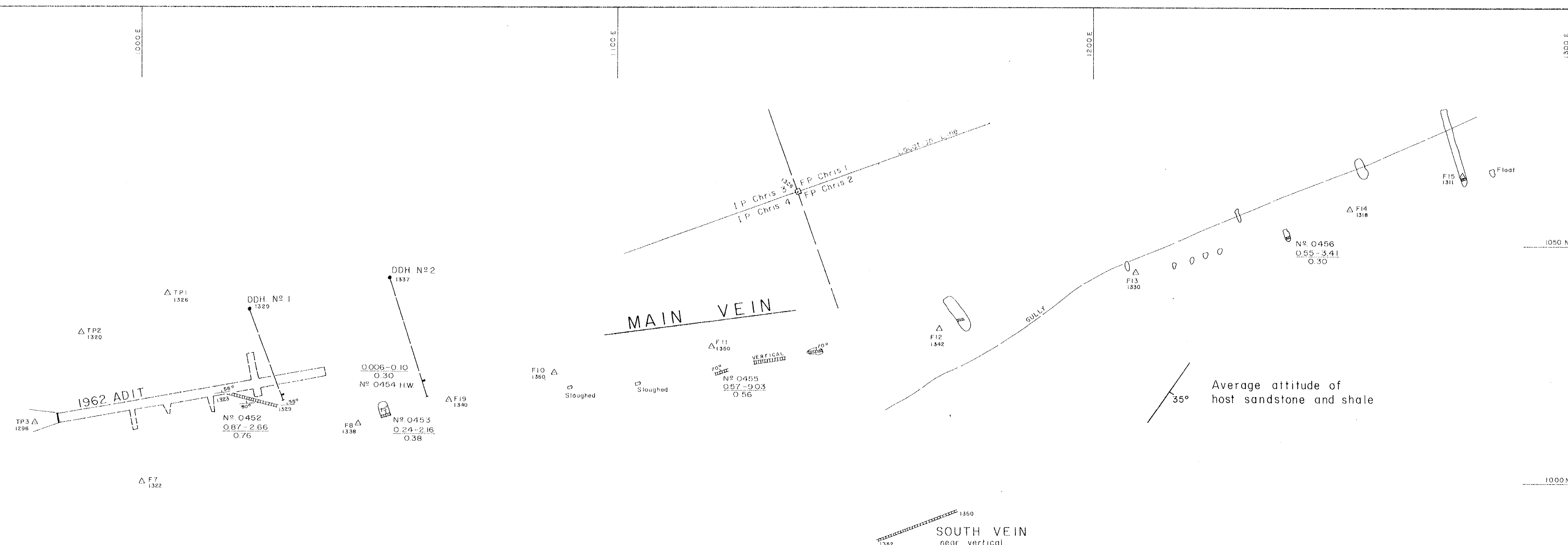


MEMBER
CANADIAN TESTING
ASSOCIATION

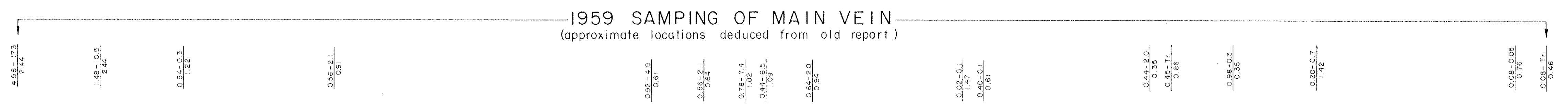
Certified by



VERTICAL LONGITUDINAL PROJECTION
SURFACE ON SURVEY LINE



PLAN



LEGEND

- F15 Δ & * SURVEY STATION, ELEVATION IN METRES
- 131 TRENCH
- VEIN
- Nº 0456 SAMPLE NUMBER
- 0.55-3.41 Au oz. - Ag oc.
- 0.30 Width in metres

DRILL HOLE LOCATIONS FROM OLD PLAN VEIN NOTED, NO ASSAYS

MINERAL RESOURCES BRANCH
ASSESSMENT REPORT
8393

PRISM RESOURCES LIMITED

CHRIS CLAIMS

SURFACE PLAN

SKEENA M.D. - B.C. NTS 103-1-15 W
SCALE 1:500

0 10 20 30 40 50

DRAWN BY D.J. / rwr DATE OCT., 1980 FIGURE Nº