

REPORT ON

PLAZA MINING CORPORATION'S

GOLD PROPERTY

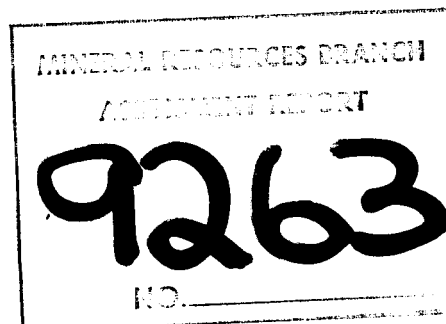
Located on the North Shore of the South Arm  
of Kootenay Inlet on the  
Queen Charlotte Islands

SKREENA M.D.

52° 51' N 132° 10' W

BY

JAMES J. DOHERTY, P. ENG.



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**JAMES J. DOHERTY, P. ENG.**  
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November 28, 1980

Mr. H. Jones  
Plaza Mining Corporation  
1500 - 700 West Georgia Street  
Vancouver, B.C.

Dear Sir:

This report is based on my examination of the property on November 19 and 20, 1980 and a review of Minister of Mines, B.C., Annual Reports relevant to the Queen Charlotte Islands area, from 1920 to the present.

Respectfully submitted,

James J. Doherty

jjd/e  
att.

PROPERTY :

This Kootenay Inlet property, on the Queen Charlotte Islands, of Plaza Mining Corporation, is located in the Skeena Mining Division and consists of the following mining claims:

<u>Record Name</u>	<u>Record No.</u>	<u>Expiry Date</u>
Swindle No. 1	1043	February 12, 1981
Swindle No. 2	1044	February 12, 1981
Swindle No. 3	1045	February 12, 1981
Swindle No. 4	1046	February 12, 1981
Swindle No. 5	1084	February 12, 1981
Swindle No. 6	1085	February 12, 1981
Swindle No. 7	1288	March 29, 1981
Swindle No. 8	1289	March 29, 1981
JD 10 UNITS	2627	October 23, 1981

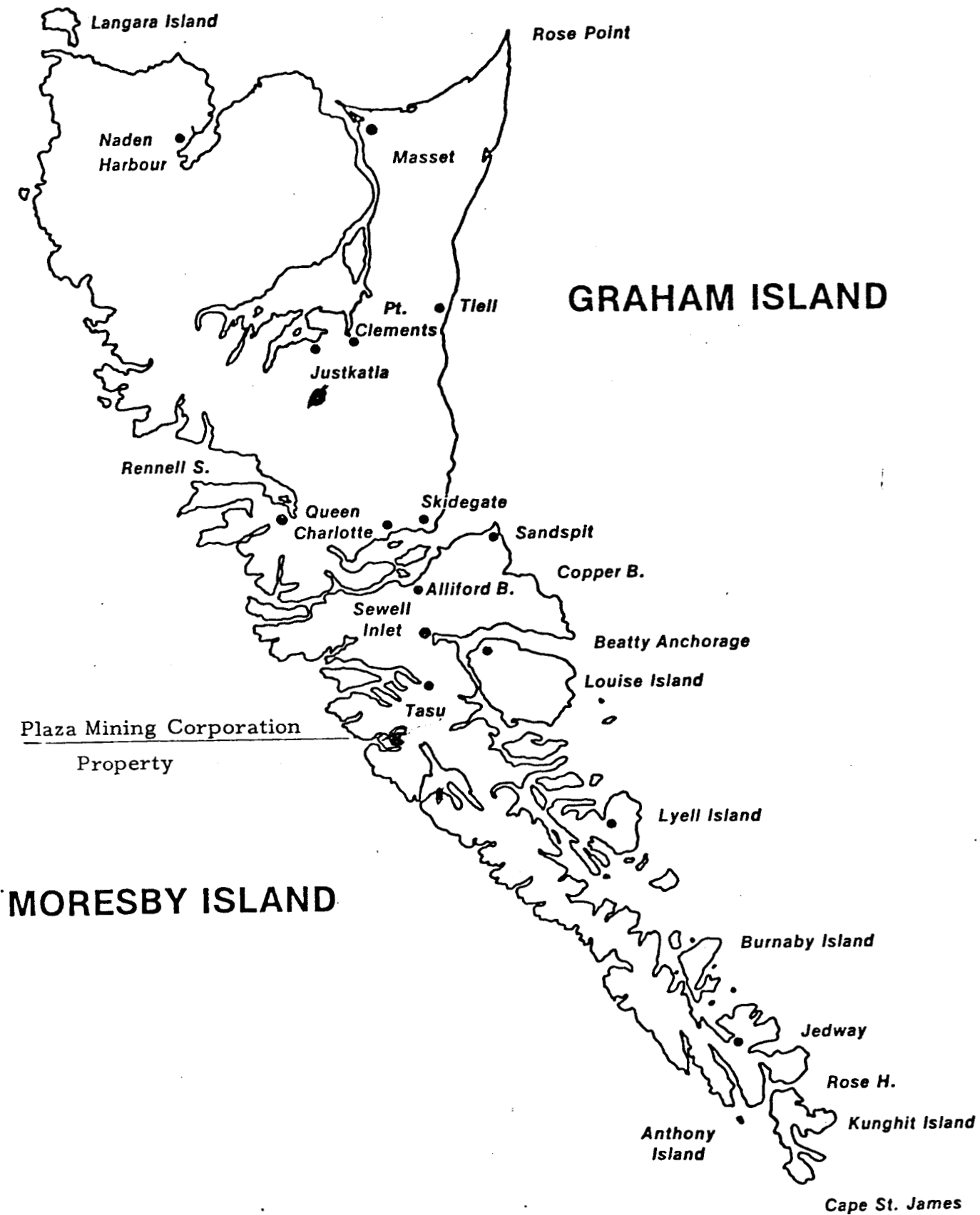
A TOTAL OF 18 CLAIMS.

ACCESS :

The property is approximately 50 miles South East of Sandspit and can be reached by helicopter in 30 minutes.

From the town of Queen Charlotte, a motor boat to Kootenay Inlet would take from one to two days, depending on the state of the tide in the Kootenay narrows.

QUEEN CHARLOTTE ISLANDS



HISTORY AND PREVIOUS WORK :

This property was first discovered in 1919 by Jones, Wiggs and McRae, residents of Queen Charlotte and Skidegate, on the Queen Charlotte Islands.

Over the years work has been done on this property, by different owners, on an intermittent limited basis.

In 1922, the owners after carrying out some stripping and open cutting, built a 100 foot flume, a 14½ foot water wheel with 8 foot drive pulley, four ore bins, suitable housing and erected a Ross Amalgamating Mill. Some gold was recovered with this equipment, but operations soon ceased.

Considerable exploration work was done on these claims in 1931 and 1939.

In general, work has consisted of trenching or open cuts on surface, and the driving of two adits, the bottom one of which is covered in at the portal, the upper adit is open for some distance, but does need some re-habilitation.

From reports available, no diamond drilling is mentioned, and it would appear no diamond drilling has been done, on these claims.

With no road to the minesite in past years, suitable equipment to make a thorough test of the mine making possibilities of this property has never been available.

ECONOMICS :

Considered from past indicated results, the property presents three possibilities, which can only be defined by further exploration:

- (1) A selective small tonnage, high grade operation, by mining only the better vein sections.
- (2) A medium tonnage, medium grade operation, using a semi-selective mining operation.
- (3) A low grade operation of considerable tonnage, mining appreciable sections of the entire zone.

There is an ample supply of timber and water available at the mine site for mining purposes.

A road from the end of Kootenay Inlet to Sewell Inlet, approximately 10 miles, would greatly facilitate the bringing in of equipment and supplies and would give ready access to the property.

The climate is moderate with little or no snow in the winter, but with considerable rainfall.

These claims are well located for a possible producing gold mine.

GENERAL GEOLOGY AND LOCAL GEOLOGY :

The Queen Charlotte Islands are at the western edge of the Continental shelf seaward of central British Columbia. They lie between 52 degrees west longitude, south of the Alexander Archipelago of southeastern Alaska.

The Queen Charlotte Islands form the northern part of the Insular Tectonic Belt of the Canadian Cordillera. As such, they have a stratigraphic and tectonic history very similar to that of Vancouver Island, but with differences of timing and facies which become progressively more important from the beginning of the mid-Jurassic.

Major crustal fracture appears to have dominated the tectonics of the region of the Queen Charlotte Islands throughout known geological history. Fault movements in the past appear to have controlled the distribution of volcanic and plutonic rocks and the distribution and nature of some sedimentary rocks, and they form the major structural features of the present islands. Faulting is still active in this region, which is the most active seismic area in Canada. Folds are of lesser importance and the origin of some may be related to fault tectonics.

Gold veins in the Queen Charlotte Islands are usually found in Volcanic rocks, either Karmutsen basalts or Yakoun agglomerates or Volcanic Sandstones. The veins are not distributed in any obvious relation to plutons of either type nor to major fault or fold structures. However, all are stringer vein systems associated with steeply dipping minor faults. In several, the amount of quartz present is small, and carbonate vein breccia and gouge are as prominent. They are sparsely mineralized with pyrite, traces of chalcopyrite, and some



fine free gold.

On these claims of Plaza Mining Corporation, massive greenstones of the Upper Karmutsen Formation, which strike easterly and dip about 40 degrees south, form the country rock. In these rocks, a reticulate quartz vein system is developed, which strikes northeast and dips steeply southeast. Individual veins have been traced 100 to 400 feet in length and are from 6 inches to 5 feet wide. Five veins occur within 350 feet across strike. The vein walls are slightly silicified and chloritized, but otherwise unaltered. The veins are composed mostly of quartz with sparse sulphides, pyrite, and chalcopyrite, with some fine free gold.

RECOMMENDATIONS :

With some efforts at production in the past, and gold bearing veins known to be present on the property, and with favourable assays from available veins and muck piles recently sampled, a further large scale exploration program is warranted.

- I. A road will have to be built from the end of Kootenay Inlet to the lower adit and then to the upper adit, approximately 3/4 of a mile, for access.
- II. All adits and surface cuts, will be cleaned out and rehabilitated and then check sampled with a moil and hammer. Likewise with surface veins and vein outcrops, these will be cleaned off, and sampled with moil and hammer.  
  
A pack sack diamond drill will be also used for short down holes, for check sampling.
- III. A series of parallel down holes at 45° should be drilled 50' apart across the entire zone from south to north, to first test the mine making possibilities for a substantial tonnage lower grade operation.

The results from these diamond drill holes, combined with the results of check sampling the adits, trenches and surface veins, will dictate the next stage of exploration.

PROGRAM : EXPENDITURES PROPOSED :

I.	Mobilization : Temporary Camp, Camp, Kitchen Supplies, Dozer, Generator, Compressor, Pipe, Track, Mine Cars, Mucking Machine, Pumps, Chain Saws, Lumber Nails, Diesel Fuel, Oil, Lubricants, Pack Sack Diamond Drill, Diamond Drill, Jack Legs.	\$100,000.00
II.	Road Building	20,000.00
III.	Re-habilitation	20,000.00
IV.	Sampling Adits, Trenches, Surface Veins	15,000.00
V.	Diamond Drilling	300,000.00
	Engineering, Supervision, Assaying, Office, Overhead	30,000.00
	Contingencies	15,000.00
		<hr/>
	TOTAL	\$500,000.00
		<hr/> <hr/>

The following are assays of samples taken at site during my visit of November 19 and 20, 1980.

<u>Sample</u>	<u>Ag</u> <u>oz/ton</u>	<u>Au</u> <u>oz/ton</u>	
4574	.01	.012	)
4575	.01	.023	)
4576	.01	.073	)
4577	.01	.364	)
4578	.01	.001	)
			Muck Pile Samples Lower Adit
4579	.15	1.140	Portal Top Adit
4580	.03	.212	25' in from Portal Top Adit
4581	.01	.034	Muck Pile 50' in Top Adit
4582	.01	.195	8' in from Portal Top Adit
4583	3.62	32.600	Muck above Top Adit
4584	.03	.480	Vein above Top Adit
4585	.16	.680	)
4586	.02	.115	)
			Muck Pile Samples Top Adit
4587	.01	.020	)
4588	.03	.190	)

NOTE: <sup>1</sup>Muck pile at Lower Adit contains approximately 500 Tons.

<sup>2</sup>Muck pile at Upper Adit contains approximately 400 tons.



*James J. Coherly P.E.*

SAMPLE LOCATION MAP



Top Adit



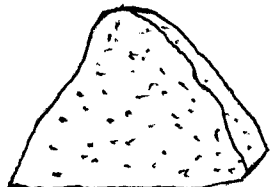
Muck Pile



Lower Adit (Caved)



Muck Pile



		<u>Ag</u> Oz/Ton	<u>Au</u> Oz/Ton
Vein right of Adit	#4584	.03	.480
Muck above Adit	#4583	3.62	32.600
50' in Muck	#4581	.01	.034
25' in Portal	#4580	.03	.212
8' in Portal	#4582	.01	.195
Portal	#4579	.15	1.140
Muck Pile Samples	#4585	.16	.680
" " "	#4586	.02	.115
" " "	#4587	.01	.020
" " "	#4588	.03	.190
Muck Pile Samples	#4574	.01	.012
" " "	#4575	.01	.023
" " "	#4576	.01	.073
" " "	#4577	.01	.364
" " "	#4578	.01	.001

Scale 1" = 20'

EXPLORATION AND DEVELOPMENT - ASSESSMENT WORK

ITEMIZED COST STATEMENT

SKEENA MINING DIVISION

MORESBY ISLAND

SWINDLE 1-8

181-#4.

Costs incurred

Mr. J. Doherty, P. Eng.		
3 days at \$250.00 per day at site	\$750.00	
3 days at \$250.00 writing up report, etc.	750.00	
Taxi fares to and from Vancouver Int'l Hotel	57.00	
Motel at Sandspit	78.75	
Meals at Sandspit	18.75	
Vancouver car mileage relating to report	72.20	
Typing report	41.40	
Telephone	15.50	
Miscellaneous	115.60	
	<hr/>	\$ 1,899.00
C.P. Air		384.40
Vancouver Island Helicopters		893.75
Ken Foote		
4 days at \$250.00 per day	\$1,000.00	
miscellaneous	100.00	1,100.00
	<hr/>	
Harold Robinson 5 days at \$250.00 per day		1,250.00
		<hr/>
		<u>\$ 5,527.15</u>

*J. John*  
*President,*  
*Plaza Mining Corporation*

CERTIFICATE

I, James J. Doherty of Surrey, B.C., Province of British Columbia do hereby certify that:

1. I am a Mining Engineer residing at 7054 - 176 Street, Surrey, B.C.
2. I am a graduate of the New Mexico School of Mines, Socorro, New Mexico, U.S.A., with the degree of Bachelor of Science in Mining Engineering, 1950.
3. I am a Member of the Professional Engineers of British Columbia.
4. I have been practising my profession for over 30 years.
5. I have no direct or indirect interest, nor do I expect to receive any interest direct or indirectly, in the property or securities of Plaza Mining Corporation Ltd., or any affiliate.

Dated at Surrey  
this 28th day of November, 1980

*James J. Doherty P. Eng*  
James J. Doherty, P. Eng.

*James J. Doherty P. Eng*

# M O R E S B Y

ROE
1813 (10)
187200

SHG WEDGE 1604 (8)	SHG MAGNUM 1603 (8)
23720	23724
23728	23727
SHG TREND 1605 (8)	SHG MILL 1606 (8)

TU VEST SEE MAP 103C/16W

103/16E

WORKINGS

K 3 2760(2)	K 4 2761(2)
K 1 2758(2)	K 2 2759(2)
GILL 2750(12) (1942 W)	J.D. 2627(10) (1942 W)
BLUE 5 1162(3)	SWINDLE 7 1289(3)
BLUE 3 1160(3)	SWINDLE 6 1083(2)
SWINDLE 8 1044(2)	SWINDLE 5 1043(2)
SWINDLE 4 1046(2)	SWINDLE 3 1045(2)
GORDEB 1 2762(12)	GORDEB 2 2763(12)
GORDEB 3 2764(12)	

M.K. 3 1995 (12)	M.K. 4 1996 (12)
M.K. 1 1993 (12)	M.K. 2 1994 (12)

JASPER 5  
3085 (6)  
(1942 W)

JASPER 2  
3053 (5)  
(1942 W)

JASPER 1  
3052 (5)  
(1942 W)

MOUNT  
+  
RUSS

RUSS 3

NEWCOMBE

Russ  
Lake

Kootenay  
Inlet

TOSU

UER

ABE

Cl.