

REPORT ON
DIAMOND DRILLING

by
P.R. DeLancey, P.Eng.

on the
ALBERE 2 M.C.
(part of the SCOTIA Property)

Situated on the Scotia River
in the Skeena Mining Division

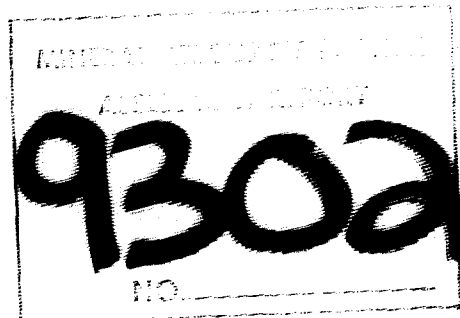
54°05'N; 129°41'W

NTS 1031/4E

owned by
TEXASGULF INC.

work by
TEXASGULF INC.

May 1981



Vancouver, B.C.

part 1
of 2

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INTRODUCTION

Location, Access and Terrain

The Scotia property is located near the headwaters of Scotia River, south of the Skeena River, 50 km southeast of Prince Rupert (Figures 1 & 2). Supply points are Prince Rupert and Terrace. The property lies about 10 km south of Highway 16, which follows the north shore of the Skeena River.

Access to the claims is presently by helicopter from Terrace or Prince Rupert. Road access to the property may become feasible in the future if the operations of Q.C. Timber on Scotia River continue as planned.

The claims are located in the rugged mountains of the Coast Range. Maximum elevations are about 1100 m, with on-property relief of some 800 m. The highest portions of the property are covered by alpine meadows, but most of the ground is covered by heavy forest.

Property History and Definition

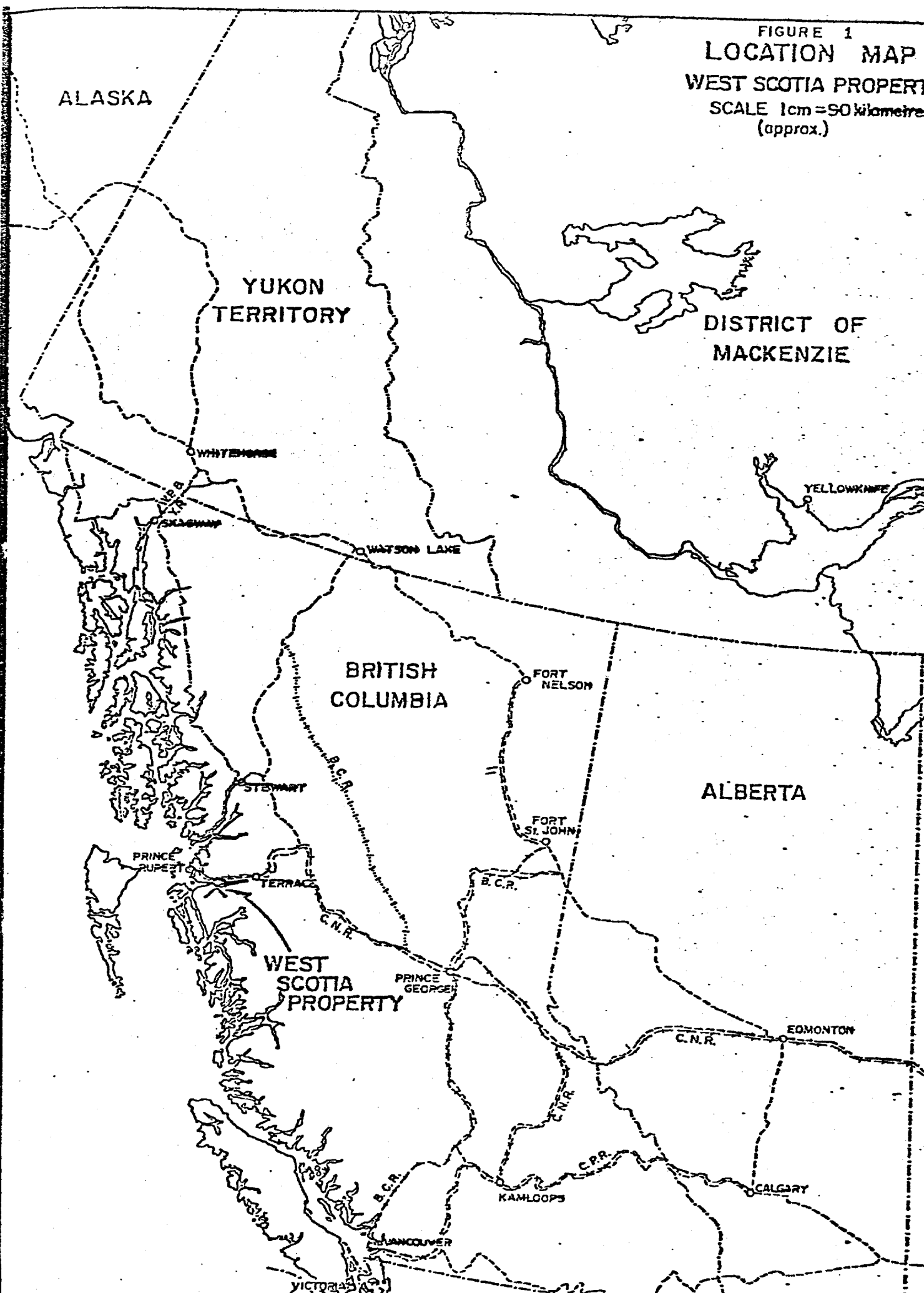
The present Scotia property comprises four old two-post claims (Albere 1-4), and two MGS claims (Scotia 1 and 2) totalling 26 units. The Albere claims were located by Texas Gulf Sulphur Co. in 1960, and the MGS claims added in 1979.

During 1960, TGS diamond drilled 10 holes aggregating 560 m, and outlined a very small body of zinc mineralization.

Summary of Work Completed

During the 1980 season, Texasgulf Inc. built a camp, prepared several drill sites, and contracted drilling of seven BQ diamond drill holes aggregating 960 metres. Cores were assayed or analyzed, where

FIGURE 1
LOCATION MAP
WEST SCOTIA PROPERTY
SCALE 1cm=90kilometres
(approx.)



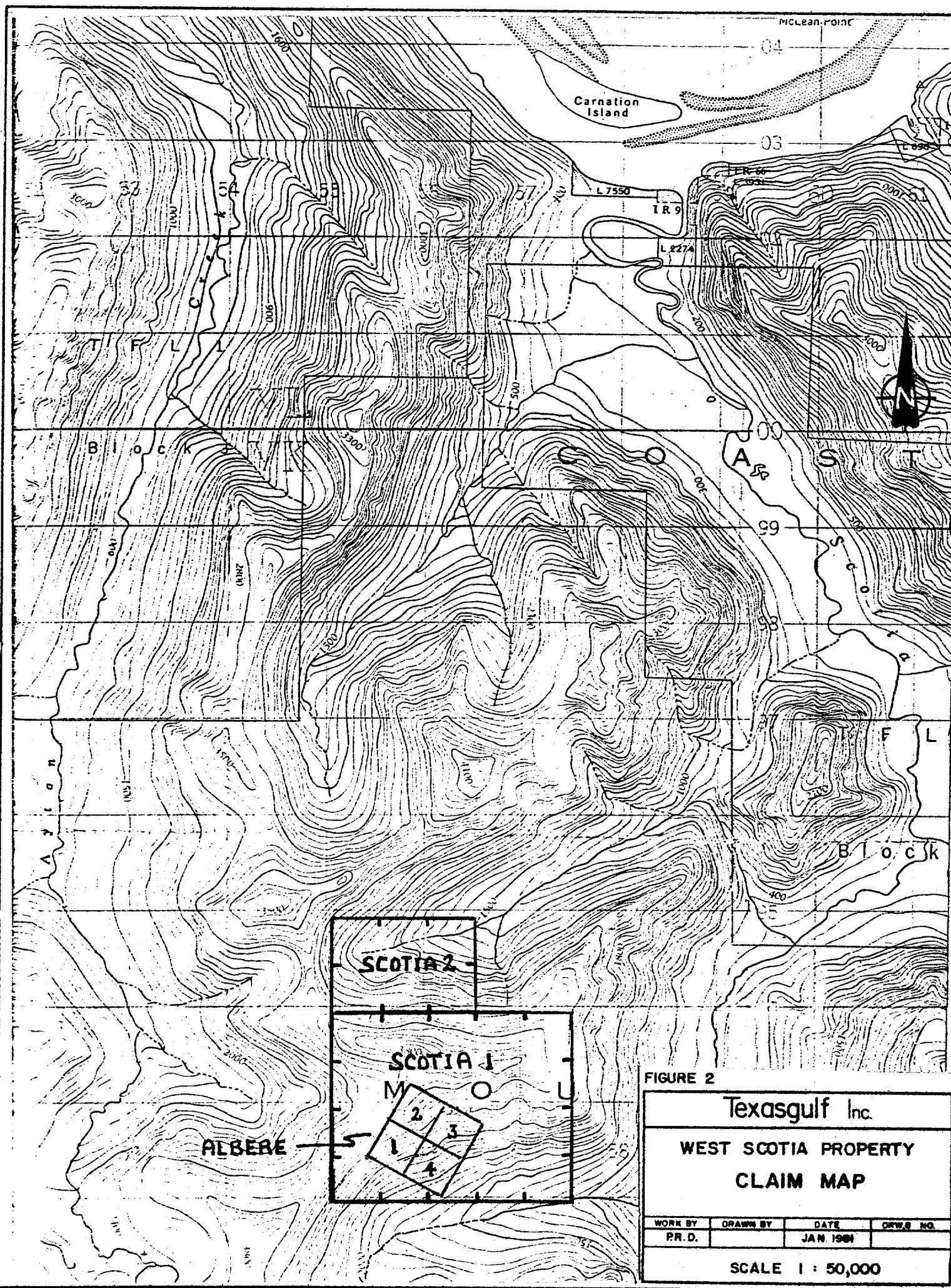


FIGURE 2

Texasgulf Inc.			
WEST SCOTIA PROPERTY CLAIM MAP			
WORK BY	DRAWN BY	DATE	DRWS. NO.
P.R.D.		JAN 1981	
SCALE 1 : 50,000			

warranted, for Cu, Pb, Zn, Ag and Au.

The work was restricted to the Albere 2 M.C. (Figures 2 & 3).

GEOLOGY

The Scotia property lies within a belt of metamorphosed sedimentary and volcanic rock named the Ecstall Pendant. The only comprehensive government report on the area is GSC Paper 66-33, Prince Rupert and Skeena Map-Area, B.C., by W.W. Hutchison.

The Scotia prospect is an irregular zinc-rich massive sulphide body hosted within pyritic felsic gneisses. The sulphide body, which is exposed at the top of a steep cliff, is roughly conformable with the enclosing host rocks which strike north-northwest and dip 50° to 60° to the southwest. The 1980 program was designed to test the extension of mineralization along strike and down-dip.

DIAMOND DRILLING

The locations, inclinations and depths of the seven BQ diamond drill holes, totalling 960 metres is shown in Figure 3. Drill core logs and accompanying analyses or assays for Cu, Pb, Zn, Au and Ag are included as Appendix B. The core is stored at the Scotia camp.

The potential ore zone was expanded some 150 metres to the northwest where it appears to tail out. The sulphide body has little or no plunge and appears to diminish with grade down-dip. Further explorations will be required to confirm the extent of the mineralization.



P.R. DeLancey, P.Eng.

APPENDIX A

Statement of Expenditures

STATEMENT OF EXPENDITURES
SCOTIA PROPERTY
(Diamond Drilling)

SALARIES AND FRINGE BENEFITS, TEXASGULF INC.

P. DeLancey - Geologist Period: Aug 1-13, Sept 4-24; 34 days @ \$150	\$ 5,100.00	
Dr. R. Moore - Geologist Period: Aug 6-18; 13 days @ \$175	2,275.00	
M. McCormick - Geological Assistant Period: Aug 6-18; 13 days @ \$60	780.00	
R. Edwards - Labourer Period: July 11-16; 6 days @ \$100	600.00	
C. McLeod - Labourer Period: July 11-16; 6 days @ 80	480.00	
C. Riseborough - Assistant Period: July 11-16, Aug 1-4; 10 days @ \$35	350.00	
J. Leigh - Assistant Period: Aug 1-12, Sept 15-24; 22 days @ \$35	770.00	
R. Freeman - Assistant Period: Aug 1-18; 18 days @ \$35	630.00	
E. Potsepp - Cook Period: Aug 1-12; 12 days @ \$100	1,200.00	
L. DuPont - Cook Period: Aug 12-18, Sept 2-24; 28 days @ \$70.00	<u>1,960.00</u>	
	18,636.27	18,636.27

ROOM & BOARD

Tg personnel 162 man-days @ \$40	6,480.00	
Longyear personnel - 34 man-days @ \$40 (includes mobilization, shipping, expediting, etc.)	<u>1,360.00</u>	
	7,840.00	7,840.00

HELICOPTER SUPPORT

Texasgulf Bell-Soloy 46.8 hours @ \$285
Okanagan Helicopters invoices

13,338.00

18,816.40

32,154.40

32,154.40

DIAMOND DRILLING

Longyear Canada, invoices charges for drilling,
survey, core boxes, supplies, moving time etc.

78,736.48

ANALYTICAL COSTS

155 Au & Ag assays @ \$95.0

1,472.50

155 Cu assays @ \$5.50

852.50

155 Pb assays @ \$5.50

852.50

155 An assays @ \$5.50

852.50

19 Cu, Pb, Zn, Ag analyses @ \$3.90

74.10

19 Au analyses @ \$4.24

80.75

19 sample preparation @ \$2.00

38.00

total shipping costs

268.42

4,491.27

4,491.2

REPORT PREPARATION

P.R. DeLancey, P.Eng. 2 days @ \$150.00
Secretarial, draughting, etc.

450.00

200.00

650.00

650.0

TOTAL

\$142,508.4

P. R. DeLancey

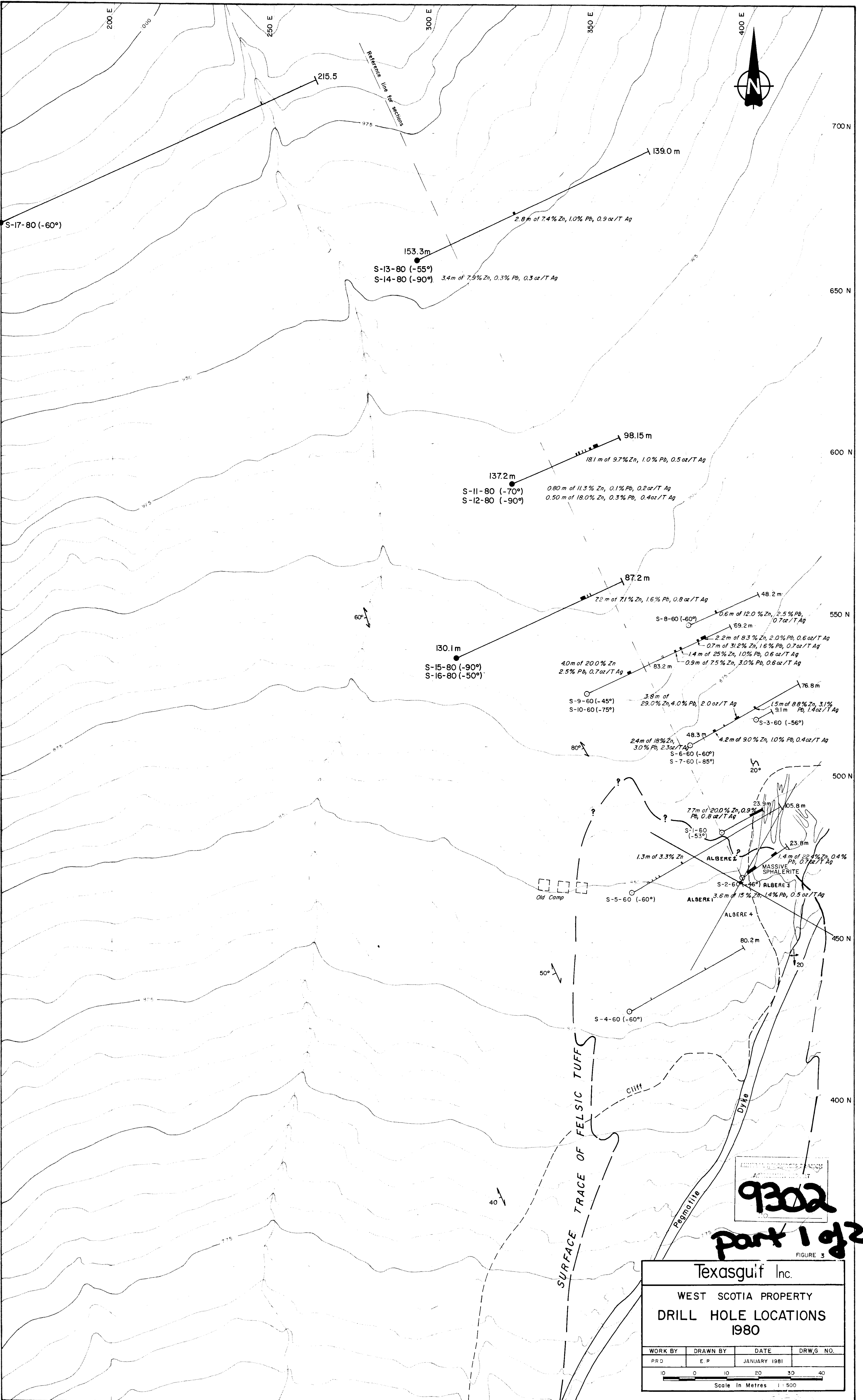


FIGURE 3

Texasgulf Inc.

WEST SCOTIA PROPERTY
DRILL HOLE LOCATIONS
1980

WORK BY	DRAWN BY	DATE	DRW'G NO.
PRD	E P	JANUARY 1981	

Scale In Metres 1 : 500

PRD/...