REPORT ON

EXAMINATION OF DRILL CORE

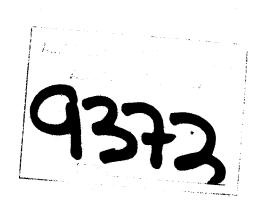
by

I.G. Sutherland, B.Sc.

from the

JD M.C.

(in the JD-81 Group)



situated near Moosehorn Creek in the Omineca Mining Division

57°26'W, 127°09'W NTS 94E/6E

owned by:

TEXASGULF CANADA Ltd.

work by:

TEXASGULF INC.

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INTRODUCTION

Location, Access, Terrain and History

This report summarizes descriptive logs and geochemical analyses done in 1981 on core samples from an existing diamond drill hole on the "JD" claim. The property is part of the "JD-81" claim group which consists of 7 MGS claims and 3 fractional claims all of which are situated in the Omineca Mining Division. This claim group is just one component of a much larger property.

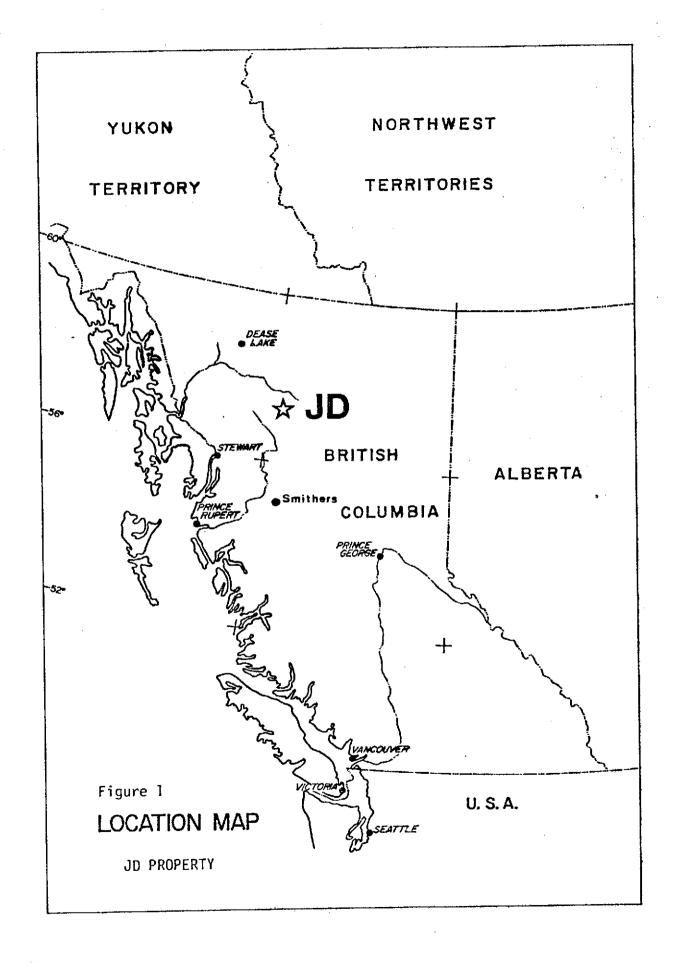
The JD property is located east of the Stikine River and north of the Toodoggone River in north-central British Columbia (Figure 1). The nearest supply and transportation centres are Smithers, 300 km due south and Watson Lake in the Yukon, 300 km north.

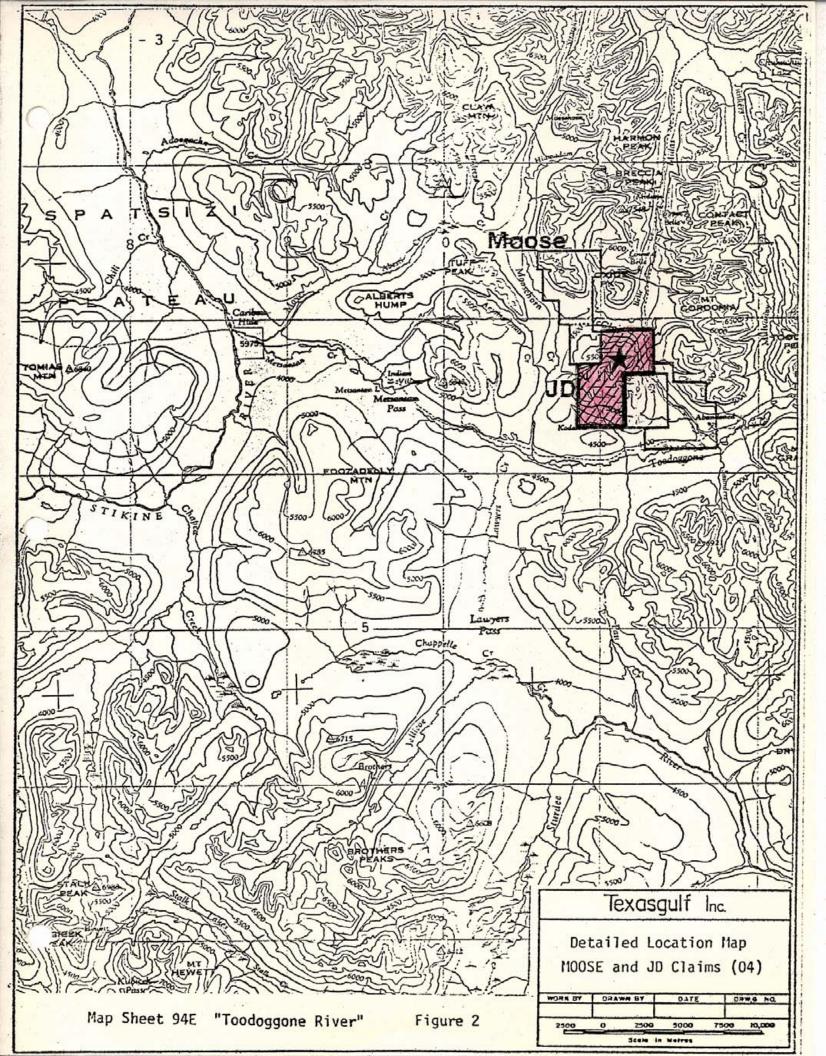
Access to the property is by a combination of fixed wing aircraft from Smithers or Watson Lake to the Sturdee Valley airstrip 30 km southeast of the property, or to Metsantan Lake 15 km west, and helicopter thereafter (Figure 2).

The claims are situated at the eastern boundary of the Spatsizi Plateau, covering moderate to steep ridges between deeply eroded valleys, and flanked by the broad valleys of Moosehorn and McClair Creeks and the Toodoggone River.

Vegetation below 1500 metres consists primarily of a dense growth of spruce and fir trees, with the exception of open, poorly drained river valleys where scrub brush and mosses abound. Alpine areas above 1500 m are sparsely vegetated with moss, grasses and alpine flowers.

The present property area was originally staked in 1971 to cover showings discovered by Sullivan and Rodgers, consultants who were undertaking a reconnaissance programme for Sumac Mines Ltd. Geochemical surveys and trenching in the area of the showings outlined two anomalous





zones separated by a steep-sided valley. The detailed anomalies in Zn, Ag and Au were tested by one BQ diamond drill hole drilled in 1974 to a depth of about 125 metres, the focus of this report. Additional work was effectively pre-empted by the diversion of Sumas's exploration funds to the newly-found Kutcho Creek massive sulphide deposit. The claims were allowed to lapse in 1977, but were restaked the following year by Petra Gem and Energex interests, who completed limited additional geochemistry and trenching which served to enlarge the area of interest. Work described in this report was carried out by Texasgulf Inc. on behalf of its wholly owned subsidiary Texasgulf Canada Ltd., the current registered owner of the claims.

Summary of Work Completed

During the period June 3 to 5, 1981, the core from one diamond drill hole previously drilled on the JD M.C. was logged and sampled. Samples were analyzed geochemically for Cu, Pb, Zn, Ag and Au.

GEOLOGY

The property is underlain by a thick succession of primarily andesitic crystal and crystal-lapilli tuffs, tuff-breccias, flows and associated hypabyssal phases. These rocks belong to the 'Toodoggone Volcanics' of Jurassic age. A more complete description of the geology can be found in a previously submitted assessment report (Peatfield, 1981). A geology map of the relevant portion of the property showing the approximate drill hole location, is included with this report (Figure 3).

DIAMOND DRILL CORE EXAMINATION

The diamond drill hole described here and known as MM-7 was located and drilled on the basis of an early, detailed soil geochemical study done by Sumac Mines Ltd. which indicated anomalous zinc, silver and gold values in the vicinity of the hole. No records exist indicating the azimuth and dip of the hole but field evidence suggests that it was drilled at approximately

300° with a dip of 60°. The location of the hole was also inferred from field evidence and discussion with T.C. Scott, who was Sumac's project geologist for the drilling.

The BQ core was stored at its present location on the adjacent Moose claims and was logged, split and sampled in June of 1981. An attempt was made to follow a standard 1.0 metre sample interval except where changes in lithology and in alteration/mineralization made this impractical. A summary log for this hole is included as Appendix A, and geochemical results are tabulated in Appendix B.

The results shown in Appendices A & B suggest an erratic but generally sparse occurrence of precious metals in these rocks. Some correlation seems to exist between anomalous base metal values and anomalous values for gold and/or silver but it is not entirely consistent. This suggests that the precious metals mineralization, like that of the base metals, is related to the various secondary alteration veins/veinlets that cut these rocks, especially where silicification is dominant. A similar vague though even more inconsistent correlation appears possible for relative gold and silver values.

Overall, however, results are somewhat discouraging and it appears unlikely that the source of the original geochemical anomaly upon which the hole location was based has been intersected in this hole. Further detailed surface work is recommended before additional drilling is considered.

I.G. Sutherland

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APPENDIX A

Summary Drill Hole Log

				·		-		
PROPERTY		RGEX-MOOSE (C	D 04)	TEXAS	GULI	inge Salara	C	HOLE NO. MM-7
LOCATION	l (grid)						Agents 4	Name and the form of the second secon
LOCATION	V (survey)	Aparlaman agains sa cara go can sa cana an		DRILL	HOLE	LOG		CLAIM: JD
AZIM:	ELEV	: DIP	:					SECTION:
DEPTH:	125.0 m	CORE SIZE	E: B0		DIP TEST			LOGGED BY: J.D. Clark
STARTED) :			DEPTH	AZIM	DIP		DATE LOGGED: 3 June, 1981
COMPLET	TED:	1974						DRILLING CO.:
CORE RE	COVERY:							
DE	PTH (m)	REC'Y				DESCRIPT	ION	
FROM	ro	MEC 1				DESCRIE I	1014	
0	2.7		Overburde	en.	شده سنا شونده جناره جناز در	الليان الله الترك الله المنه المنه المنه الله الله الله الله الله الله الله ال		
2.7	13.3		Andesite	crystal tuff.	Sausseritiz	ed plagiocl	ase c	rystal fragments and rare lapilli
			in grey-c	reen to purplis	h grey, ver	y fine-grai	ined m	atrix. Local development of
And the state of t			shearing	and fracturing.	Cut by se	veral stage	es of	randomly oriented veinlets (less
								carbonate, and gypsum. Trace to
			<u> </u>					o zones of silicification. Lower
		and a survey per signing given twee the milities have the that the standard per surveyer per survey.	contact	radational.				
13.3	27.9		Basaltic	andesite flow (?hypabyssal	intrusive)). Но	rnblende-feldspar (plagioclase)
,			1					enish grey, fine-grained groundmass
							-	ments. Cut by irregular carbonate
							_	race to 4% disseminated pyrite
					_	•		ar lower contact. Contact is marked
			1	of brecciation		•		
27.9	32.7		1				: leas	t in part). Hornblende-feldspar
								mish grey groundmass. Cut by
					•••	-		epidote veinlets. Generally with
								ith 5-10% pyrite, 0.5-4%
1				and the second s	Martine enganistrat finantialina end fin allungs mar en affaren en elle	واستنبون البحدث أنيت الهدائية ما أند أأربي عد الهدائ		нивания принципания принципания на принципания принципания на принципания на принципания принципания принципан

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TEXA	SGUL	F INC.	DRILL HOLE LOG HOLE NO. PAGE NO. 2
DEP	TH (m)	REC'Y	DESCRIPTION
FROM	то		
27.9	32.7	(cont'd)	sphalerite, 0.5-1% chalcopyrite, and trace galena. Lower contact with slight chill margin at 90° to core axis.
32.7	38.6		Andesite breccia. Angular to subangular fragments (1 to 10 cm across) of andesitic
		·	to dacitic feldspar crystal tuff in matrix of medium grey-green feldspar crystal
			tuff cut by randomly oriented quartz-carbonate, carbonate, epidote, gypsum and gypsum-
	·		epidote veinlets. Siliceous veinlets with up to 7% sulphides (pyrite-sphalerite-
			trace chalcopyrite and galena). Fragments and matrix cut by veinlets.
38,6	40.7		Basaltic andesite dyke. Dark grey, very fine-grained intrusive generally unaltered
			and probably feldspar-rich. Moderately magnetic with 5% carbonate-filled amygdules;
			cut by randomly oriented carbonate-gypsum veinlets (less than 2 cm wide). Lower
			contact chilled and at 30° to core axis.
40.7	54.6		Andesite crystal tuff breccia. Same as 32.7 to 38.6 m. Minor sphalerite. Lower contact very irregular.
54.6	55.5		Silicification breccia. Fragments (3-20 mm) of intensely altered feldspar crystal
			tuff in fine-grained, light grey siliceous matrix with 3-8% disseminated pyrite
			0.5-3% disseminated chalcopyrite, trace sphalerite. Cut by carbonate-gypsum-
		<u> </u>	quartz veinlets in random pattern. Lower contact at 60° to core axis.
55.5	55.9		Basaltic andesite dykes. Similar to 38.6 to 40.7 m. Upper contact is chilled.
			With 5-10% amphibole (?) microphenocrysts.
55.9	56.5		Silicification breccia. Same as 54.6 to 55.5 m. Pyrite 5-8% disseminated; chalcopyr
			0.5-3% disseminated and in alteration veinlets; sphalerite up to 1% in alteration
			veinlets. Fragments more siliceous than matrix in general. Lower contact at
		<u> </u>	35° to core axis.

TEXA	SGUL	F INC.	DRILL HOLE LOG	HOLE NO. MM-7	PAGE NO.
DEF	TH (m)	REC'Y	DESCRIPTION		
56.5	60.2		Basaltic andesite dyke. Same as 55.5 to 55.9 m. More carbo sulphate (probably barite).	nate veining pl	us minor
60.2	65.0		Silicified andesite breccia. Similar to 32.7 to 38.6 m thou appearance. Cut by some silicified zones with sulphides as		in
65.0	66.6		Basaltic andesite dyke. Same as 55.5 to 55.9 m. Local chlocontact lost.		Lower
66.6	68.1		Silicified andesite breccia. Same as 60.2 to 65.0 m.		
68.1	71.2		Basaltic andesite dyke (possible flow). Similar to 55.5 to zone at lower contact; sharp but irregular at 30° to core ax		<u>chill</u>
71.2	86.7		Andesite flow (possible crystal tuff). Medium to dark green Sausseritized plagioclase phenocrysts less abundant towards l	ish to purplish	
			amphibole phenocrysts; rare biotite phenocrysts. Faint trac at 40° to core axis. Very fine-grained ground mass. Cut by	minor, randoml	ly oriented
			carbonate and epidote-carbonate-qtz(-gypsum) veinlets. Up t with traces of chalcopyrite, sphalerite and galena along alt	eration veinlet	
86.7	87.5		chloritic, manganese-stained shears are abundant. Lower con Andesite breccia. Subangular volcanic fragments, 1 to 15 mm	across with a	
			plagioclase phenocrysts in a very fine-grained groundmass. and probably silicified. Cut by veinlets commonly at 60° to	core axis and	, where more
87.5	89.3		siliceous, host up to 2% sphalerite, 1% pyrite and 0.5% gale Basaltic andesite dyke. Similar to 55.5 to 55.9 m. Slight		
89.3	125.0		at 30° to 40° to core axis. Andesitic lapilli-crystal tuff. Lapilli fragments of basalt		
			andesite-dacite are angular to subangular, 1 to 40 mm across porphyritic with sausseritized plagioclase and rare amphibol		

		F INC.	DRILL HOLE LOG HOLE NO. PAGE N MM-7 4	10
DEP FROM	Т Н (m) то	REC'Y	DESCRIPTION	
1 89.3	125.0	Cont'd	of fine-grained lithic fragments and feldspar crystals (10-20%). Sporadic and	
			random veinlets carbonate, carbonate-gypsum, and occasional mineralized carbonate-	
		·	quartz with up to 2% pyrite and traces pyrite and galena. Fragment size increases	
		_	down-hole below 98.7 becoming a tuff-breccia.	
			(Npte: Three boxes of core in last section with considerable spillage)	
			END OF HOLE	
			125.0 m	
				
	,			
			Ian Datter	

APPENDIX A

Summary of Geochemical Analyses

Summary of Analyses

Note:

Core samples were analyzed by Bondar-Clegg & Co. Ltd. in North Vancouver, for Cu, Pb, Zn, Ag and Au. For Cu, Pb, An and Ag, the technique involved hot Lefort aqua regia extraction followed by atomic absorption analysis. For gold, extraction was by fire assay and hot aqua regia, followed by atomic absorption analysis.

PROPERTY:	JD	HOLE No.:	MM 7	PAGE	_]0	f <u>4</u>

LATITUDE: AZIMUTH: c. 300° INCLINATION: / at _____

LONGITUDE: DIP: c: 60° INCLINATION: / at ____

ELEVATION: _____ inclination: ____ / ____at ____

SAMPLE	METR	RES	Zr	1	P	0	С	u	A	9	Αι	
No.	FROM	T0	ppm	AVG.	ppm	AVG.	ppm	AVG.	maa	AVG.	ppb .	AVG.
40951	2.7	3.7	340		42		42		0.9		300	
2	3.7	4.7	235		9		30		0.2		70	
3	4.7	5.7	152		15		54		0.5		405	
4	5.7	6.7	135		17		21		0.7		270	
5	6.7	8.0	980		141		37		1.0		135	-
6	8.0	9.0	152		84		47		0.2		30_	
7	9.0	10.0	80		109		55		0.2		20	_
8	10.0	11.0	355	·	180		17		1.3		2190	
9	11.0	12.0	355		775	_	170		42		1290	
40960	12.0	13.3	172		114		125	·	0.2		150	
1	13.3	14.3	152		29		19		0.2		10	
2	14.3	15.3	260	-	116		57		0.3		20	
3	15.3	16.3	820		37 8		48	·	0.5		5	
4	16.3	17.3	740		267		63		0.2		. 5	
5	17.3	18.3	155		21		9		0.2		10	
6	18.3	19.3	110		5		4		0.3		→ND	
7	19.3	20.3	100		2		2		0.2		10	
8	20.3	21.3	105		2	TO COLUMN TO COL	5		0.2		5	
9	21.3	22.3	70		ND		1		0.2		5	
40970	22.3	23.3	80-		ND	n garage	2		0.2	3	5	
J	23.3	24.3	190]	, including the control of the contr	1		0.2		30	
2	24.3	25.3	90		ND	. Internal	1		0.2		ND	
3	25.3	26.3	95		ND	TET DET DET DET DET DET DET DET DET DET	3		0.2		5	
4 .	26.3	27.3	370		470		25		0.2		380	
5	27.3	27.9	234		20		36		0.3		100	
6	27.9	28.7	7400		665	an un marian	307		1.3		1130	
7	28.7	29.6	1140		695	nungan	200		0.2	Í	45	
8	29.6	30.6	170		12		14		0.2		15	
9	30.6	32.2	185		47	n ja junijan iya	13		0.2		250	
40980	32.2	32.7	285		46	Turbaneur.	55	i i i	0.2		25	
1	32.7	33.7	350		264		61		0.2		25	
2	33.7	34.7	260		69	and the control of th	6	THE CONTRACT OF THE CONTRACT O	0.2	di i	355	
3	34.7	35.7	400		132		30		0.3	de de la constante de la const	90	
4	35.7	36.7	4500		590		378		0.8		435	
40985	36.7	37.7	460		188		163		0.2		35	

PROPERTY: JD	HOLE	No.: MM 7 PAGE	2 of <u>4</u>
LATITUDE:	AZIMUTH:	INCLINATION:/	at
LONGITUDE:	DIP:	INCLINATION:/	at
ELEVATION:		INCLINATION:/	at

CLEVAII					ni		С	11	A	1	Au	
SAMPLE	METR	ES TO	Zn	AVG.	Pt ppm	AVG.	mag	AVG.	DDM	AVG.	. dad	AVG.
No.	FROM	38.6	ppm 520	AVO.	180	Ava.	81	7,10.	0.2		10	
40986 7	37.7 38.6	39.6	186		3		58		0.2		ND	
8	39.6	40.7	110		ND		54		0.3		ND	
9	40.7	41.7	950	40.00	349		84		0.3		5 5	
40990	41.7	42.7	1390		252		86		0.4		135	
1	42.7	43.7	240		12		9		0.2		10	
2	43.7	44.7			625		189		0.3		65	
3	44.7	45.7	1030		375		56		0.2		40	٠
4	45.7	46.7	740	·	347		145		1.0		445	
5	46.7	47.7	345		204		90		2.0		380	
6	47.7	48.7	350		188		136		1.9		195	
7	48.7	49.7	377		259		163	1	0.8		265	
8	49.7	50.7	1320		900		67		0.4		185	
9	50.7	51.7	1240		790	·	25		0.3		45	
41000	51.7	52.7	1500		525		185		0.8		115	
1	52.7	53.7	1940		445		690		2.1		• 215	
2	53.7	64.6	4700		595		152	<u>.</u>	0.8		115	
. 3	54.6	55.5	3900		187		485		8.3	ć., "	415	
4	55.5	55.9	235		6		62		0.2		35	
5	55.9	56.5	12300		325		2920		9.3/		855	
. 6	56.5	57.5	320		13		70		0.2		35	
7	57.5	58.5	224		ND		54		0.3		5	
8	58.5	60.2	172		ND	All contracting the state of th	45	1	0.2		5	
9	60.2	61.2	195		8		55		0.2		10	
41010	61.2	62.2	880		167	•	53	-	2.3		890	
1	62.2	63.2	480		1025		75		10.04		730	
2	63.2	64.2	4100		1900		39		3.3		285	
3	64.2	65.0	1230	-	395		78		2.7		255	
4	65.0	66.6	1050		47		76	-	0.2		215	
5	66.6	67.6	4300		1435		138		2.4		665	
6	67.6	68.1	3200		1410		43		4.7		2380	
7	68.1	69.1	262	-	280		59	The state of the s	0.3		30	
8	69.1	70.1	175		9		58		0.2		40_	
9	70.1	71.2	100		ND_		.50	1	0.2		ND	
41020	71.2	72.2	134		17	1	71		0.2		45	l

PROPERTY: JD	· .	HOLE	No.:	MM_7	PAGE	_3_0f	4_

LATITUDE: _____ AZIMUTH:_____

INCLINATION: ____/ ___ at ____

DIP: LONGITUDE: ELEVATION:

INCLINATION: ____/ ___at ____

INCLINATION: ___/__at ____

SAMPLE	MET	RES	Zr	ì	Pl	<u>.</u>	C	u	A	g	, Au	
No.	FROM	Т0	ppm	AVG.	ppm	AVG.	mqq	AVG.	ppm	AVG.	ppb .	AVG.
41021	72.2	73.2	280		45		181		0.3		70	
2	73.2	74.2	226		118		272		0.2		25	
3	74.2	75.2	210		49		204		0.3		15	
4	75.2	76.2	1240		500		168		0.3		25 ·	
5	76.2	77.2	110	·	6		12		0.2		ND	
- 6	77.2	78.2	88		. 9		8		0.2		5	٠
7	78.2	79.2	93		17		18		0.2		10	
8	79.2	80.2	80		14		18		1.2		120	·
9	80.2	81.2	90		11		9		0.6		115	
41030	81.2	82.2	2300		1110	•	139		0.4		90	
1	82.2	83.2	1220		565		76		0.5		100	
2	83.2	84.2	700	-	313		110		7.2		1050	
3	84.2	85.2	355		86		15		0.3		20	
4	85.2	85.9	4800		1920		12		0.9		35	
5	85.9	86.7	4000		2950		12		1.2	·	50	
6	86.7	87.5	16400≤		5500 <i>±</i>	_	112		4.3		*·175	
7	87.5	88.5	810		. 291		57		0.3		5	
8	88.5	89.3	345		38		62		0.3		25	
9	89.3	90.3	3600		2340		18		2.6		1490	•
41040	90.3	91.3	220		33		1		0.2		45	
1	91.3	92.3	750		450		6		0.4		35	
2	92.3	93.3	172		6	-	3		0.2		20	
3	93.3	94.3	245		73		ND		0.2		15	
4 .	94.3	95.3	510		495		1		0.2		55	•
5	95.3	96.3	530		118		2		0.3		105	
6	96.3	97.3	169		7		11		0.3		20	
7	97.3	98.3	96		7]		0.2		ND	
8	98.3	99.3	96		5		1		0.2		15	
9	99.3	100.3	192		7		1		0.4		.20	
41050	100.3	101.3	114		3		1		0.2		МD	
1	101.3	102.3	71		ND		ND		0.3		15	
2	102.3	103.3	68		2		1		0.3		15	
3	103.3	104.3	59		4		1		0.2		ND	
4	104.3	105.3	63		2		1		0.3		ND	
41055	105.3	106.3	61		2]		0.2		ND	

	PROPE	RTY:	JD	·	Н	OLE No.	: <u>MM</u>	7	PAGE .	4 of	_4	
LATITUD	E:		AZIN	1UTH:		_ INC	LINATIO	ON:	/	at		
	IDE:								/_			
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SAMPLE	MET	RES	Zr	1	P	b		u	A		Αι	
No.	FROM	T0	ppm	AVG.	ppm	AVG.	pom	AVG.	ppm	AVG.	ppb .	AVG.
41056	106.3	107.3	72		2		l_		0.2		D	
7	107.3	108.3	75		ND_]_		0.2		ND	
8	108.3	109.3	97		ND]		0.7		5	
9	109.3	110.3	78		ND -		ND		0.4		ND	
41060	110.3	111.3	75	•	ND		ND		0.3		ND	
1	111.3	112.3	72		5		1	·	0.3		10	
2	112.3	113.3	68		ND		1		0.2		ND	
3	113.3	114.3	64		ND		ND		0.3		ND	
4	114.3	115.3	76		ND		ND		0.4		ND .	
5	115.3	116.3	68		ND_	1	ND		0.3		ND	
6	116.3	117.3	67		ND		ND		0.3		ND	·
7	117.3	118.3	74		ND		ND		0.2	in	ND	-
8	118.3	119.3	85		ND		ND		0.3		ND	
9	119.3	120.3	75		ND		ND		0.3		10	
41070	120.3	121.3	94		ND		3_		0.4		10	
1	121.3	122.3	90		ND		1_		0.4		· 10	
2	122.3	123.3	94		ND		11_	ļ.	0.3		5	
41073	123.3	125.0	75		ND		ND		0.2		5	
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APPENDIX C

Statements of Qualification

STATEMENTS OF QUALIFICATION

I.G. Sutherland - Geologist

I.G. Sutherland holds a B.Sc. (Hons) Degree in Geology from the University of Western Ontario, granted in 1976. Since that time he has held several positions in Industry and Government, and has been employed by Texasgulf in Vancouver since March 1981.

J.R. Clark - Geologist

J.R. Clark holds a B.Sc. (Hons) Degree in Geology from McGill University, granted in 1979. He has wide exploration experience and was employed by Texasgulf for the 1981 field season. He is presently enrolled in an M.Sc. programme at McGill, where his research will concern aspects of the geology of properties in this region.

G. R. Peathet.

APPENDIX D

Statement of Expenditures

STATEMENT OF EXPENDITURES

SALARIES AND FRINGE BENE	FITS, TEXASGULF INC	<u>.</u>	
J.R. Clark - Geologist June 3-5, 1981	3 days @ \$95	285.00	-
A. Costigan - Assistant June 5,6, 1981	2 days 0 \$60	120.00	
I.G. Sutherland - Geolog Sept 29, 30 (report)		280.00	
G.R. Peatfield, P.Eng. Sept 30 (report)	1/2 day @ \$220	110.00 795.00	795.00
ROOM AND BOARD			
Tg personnel	5 man-days @ \$70		350.00
HELICOPTER SUPPORT			
Texasgulf Bell 206B	0.5 hours @ \$400		200.00
ANALYTICAL COSTS			
123 Cu, Pb, Zn, Ag analyses @ \$4.00 123 Au analyses @ \$5.25 123 sample preparations @ \$2.59		492.00 645.75 307.50	
		1,445.25	1,445.25 -
MISCELLANEOUS			
Shipping charges Report preparation, reproductions, etc.		25.00 75.00	
		100.00	100.00
			2,890.25

Note:

Of this total, \$925 was applied to the JR M.C. as per a Statement of Exploration and Development filed in Vancouver on July 17, 1981 (M.R. #161873E), and the remaining \$1,965.25 is to be applied to KADAH 1 and KADAH 2 M.C.'s as per a Statement of Exploration and Development filed on Oct. 1, 1981, in Vancouver, and accompanied by this report.

G.R. Peatfiet!

