

SUMMARY REPORT RED DOG PROPERTY

NUTTLUDE LAKE AREA

LIARD MINING DIVISION, B.C.

(NTS 104G/9W)

for

## NORTHCAL RESOURCES INC. 1450 - 625 Howe Street Vancouver, B.C. V6C 2T6

Ъу

G.A. NOEL & B. TAYLOR

December 20, 1981

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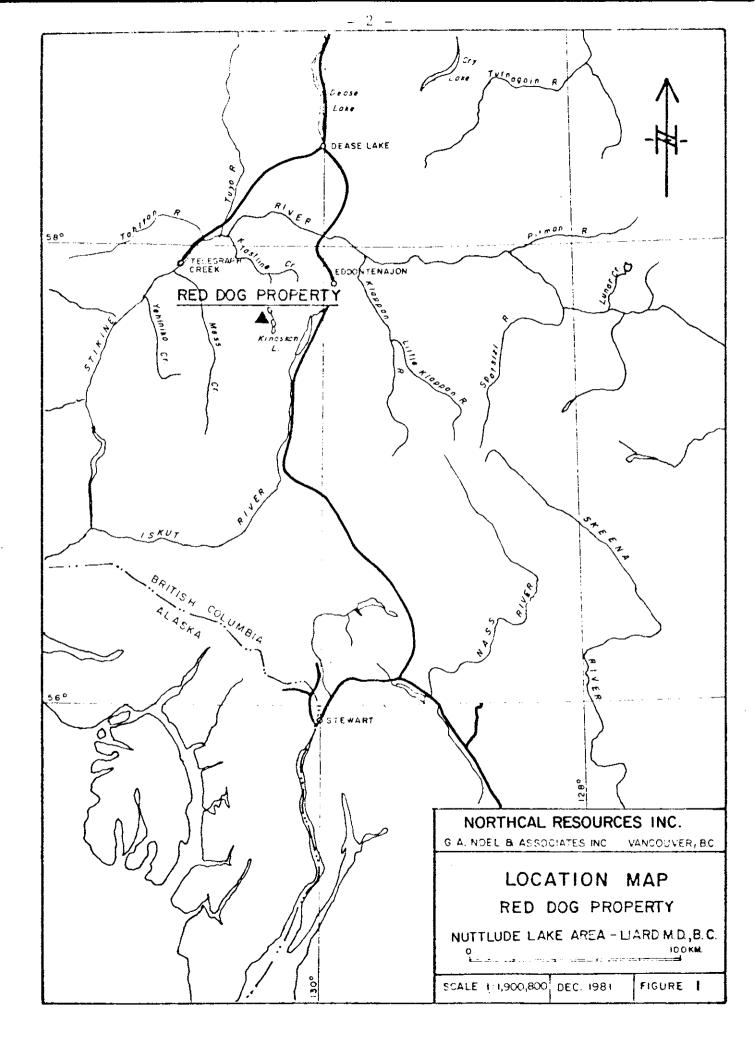
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### SUMMARY

Prior work on the Red Dog property has partially delineated a zone of low-grade gold mineralization containing at least 2,400,000 tons grading 0.037 oz. gold per ton. This zone occurs in and along the east side of a granodiorite dike with the mineralization about 50% in the dike and 50% in the siliceous volcanic rocks along the east side (footwall) of the dike. The 1981 geological reconnaissance indicates that the dike extends at least 600 metres north and 400 metres south of the drilled area. It is recommended that a bulk sample be taken from the main zone for metallurgical testwork. If the results of this testing are favorable, a drilling program is recommended on the main zone. Several new gold-bearing vein occurrences were discovered in 1981 in the Upper Triassic volcanics about 3400 metres westsouthwest of the main zone. A modest program of geological and geochemical surveys is recommended to assess the new vein discoveries.



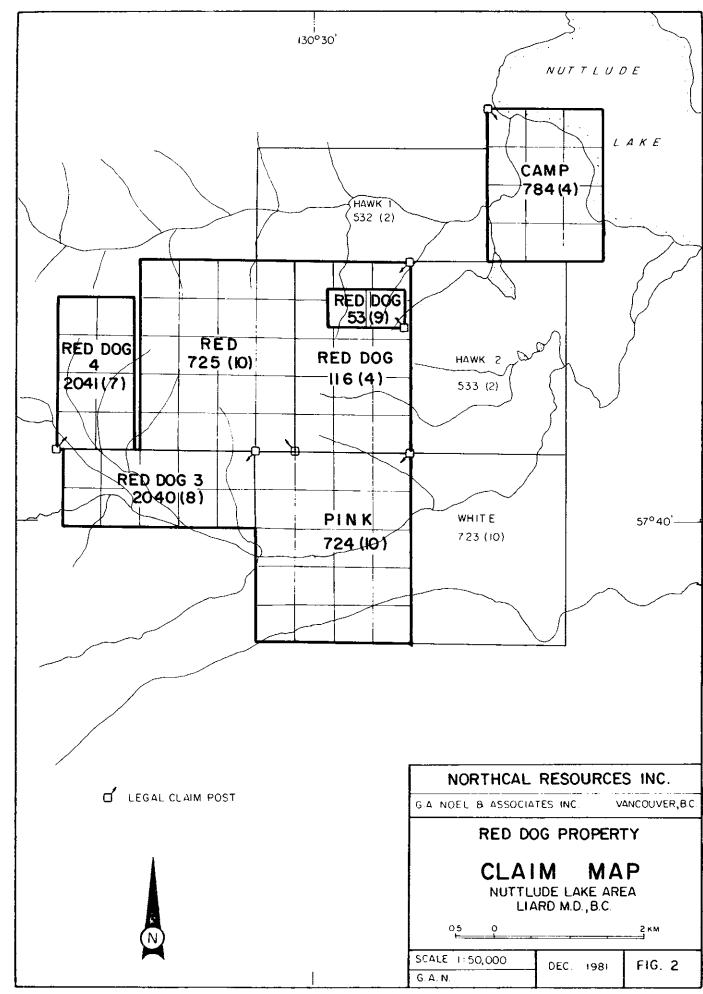
### INTRODUCTION

This report has been prepared at the request of Northcal Resources Inc. to consolidate all prior work on the Red Dog property with the regional mapping conducted in 1981, which covered the Hawk 1 and 2, Camp, Pink, Red Dog and Red claims. This report will be confined to the property held by Northcal Resources Inc. (formerly Consolidated Silver Ridge Mines Ltd.); that is, Camp, Pink, Red Dog and Red claims. In the report, these holdings are collectively termed the Red Dog property.

### PROPERTY AND TITLE

The property consists of the following claims which are located in the Liard Mining Division of B.C. and shown on claim maps 104G/9W (see Figure 2). This data has been drawn from current records at the Mining Recording office in Vancouver.

<u>Claím Name</u>	Units	Record No.	Expiry Date	Ownership
Red Dog Red Dog	2 15	53 116	Sept.30, 1990) April 9, 1992) )	90% Consol. Sil.Ridge Mines 10% Placer Development
Camp	12	784	April 9, 1984	Consol. Silver Ridge
Pink	20	724	Oct. 31, 1983	11 11
Red	20	725	Oct. 31, 1989	47 FF
Red Dog 3	10	2040	Aug. 6, 1982	ł1 łł
Red Dog 4	8	2041	July 16, 1982	88 T1



### HISTORY

The property was originally staked in 1969 as the Spectrum claims to cover a porphyry copper discovery. Spartan Explorations Ltd. optioned the property in 1970 to Mitsui Mining and Smelting Company Ltd., who did some geological mapping as well as geophysical and geochemical surveys. The property was optioned to Imperial Oil Limited from 1971-3 and further geological, geochemical and geophysical surveys were done as well as 450 metres of diamond drilling four holes. The Red Dog claim was staked for the in Racicot Syndicate in 1975 and was optioned to Consolidated Silver Ridge Mines Ltd. in 1977. Silver Ridge completed geological mapping and a geochemical soil survey on the Red Dog property in 1978. In 1979, this company undertook extensive road building, bulldozer trenching and diamond drilling on the property. A total of 432 metres of BQ and 400 metres of NQ drilling was completed in 10 holes from July 8 to October 14, 1979. In 1980, Silver Ridge completed 18 NQ drill holes totalling 2462.2 metres between June 29 and October 12.

### RECENT FIELDWORK

The 1981 fieldwork consisted of geological reconnaissance and prospecting followed by original geological mapping and geochemical rock sampling. The geological reconnaissance resulted in the discovery of vein mineralization in volcanic flows and breccias about 3400 metres west-southwest of the main showings on the Red Dog claim and just outside the southwest corner of the Red claims. This discovery necessitated the staking of Red Dog 3 and 4 claims in June 1981. The geological mapping was done from a number of traverses run with helicopter support between August 9 and 18. The final base map at a scale of 1:10,000 was compiled from a number of topographical and geological maps with scales ranging from 1:2000 to 1:10,000 as well as aerial photographs. Detailed geological mapping had previously covered about one-half of the Red Dog and Hawk 1 claims. Rock chip samples for geochemical analysis were taken over selected areas on the Red Dog claim in an attempt to correlate gold assays at the surface with the results from drilling. It was felt that areas of higher gold content might be outlined by the rock chip samples.

#### GEOLOGY

### General

The Nuttlude Lake area is largely underlain by late Tertiary and Pleistocene flows which are part of the thick Edziza and Spectrum volcanic piles and range from basalt to rhyolite in composition. These flows overlie a gently rolling Tertiary erosion surface over an area of 600 square miles.

A thick section of Upper Triassic sedimentary and volcanic rocks directly underlies the Edziza volcanics. The sedimentary section is at least 900 metres thick in places and consists of volcanic agglomerate, greywacke, grit and chert breccia interbedded with tuffaceous siltstone. The volcanics overlie the sediments and consist of at least 1200 metres of green, purple and grey andesite and derived volcaniclastics including greywacke, siltstone and minor conglomerate. The volcanics are cut by andesite dikes and sills and by irregular sub-volcanic intrusive bodies. All of the Triassic rocks are cut by a number of small diorite and granodiorite intrusive bodies of Jurassic and/or Cretaceous age.

The Upper Triassic rocks are warped into open folds with east-west axes and these rocks are cut into blocks by north-south, east-west, northwest and northeast faults. The north-south faults show some post-Pleistocene movement.

### Property

On the Red Dog 1 (Record No.53) and 2 (Record No.116) claims, the Upper Triassic rocks lie below the 1700-metre elevation. The sediments are exposed as a NNW-trending band 100-150 metres wide consisting of siltstone, chert and greywacke. The sediments are overlain by andesite, dacite and rhyolite tuffs, chert and tuffaceous siltstone as a parallel band 150-250 metres wide. The pyroclastics are overlain by a thick section of flows, dikes and sills of dacite, andesite and basalt. The volcanics and pyroclastics have a variable but pervasive disseminated pyrite and pyrrhotite content. As a result the weathered surfaces are marked by widespread iron oxide coatings. The Upper Triassic rocks are cut by a north-northeast trending granodiorite dike which has been mapped for 1200 metres along strike with a width between 50 and 100 metres. It dips  $60^{\circ}-80^{\circ}$  to the west and shows fairly sharp contacts. The dike walls in places are notably sheared and brecciated. The dike is a medium to coarse grained, in places porphyritic, grey to pink

hornblende-biotite granodiorite. It is markedly altered along its margins with potassic, biotite-hornfels and propylitic alterations most notable. The dike and its walls have been mineralized with pyrite and minor chalcopyrite as disseminations and fracture fillings. This porphyrytype mineralization is associated with sericite and secondary biotite alteration. Pyrite, arsenopyrite, sphalerite and chalcopyrite occur as disseminations and fracture fillings in the granodiorite and volcanic/pyroclastic wallrocks, in places associated with quartz-carbonate veinlets. The veinlets range from less than 1cm to over 30cm in width and in places show appreciable gold and silver values.

About 50% of the Red Dog property is covered by late Tertiary and Quaternary volcanic rocks extruded from the Mount Edziza vents. One set of flows bottoms about the 1700-metre elevation. It consists of flat-lying flows and related pyroclastics which rest unconformably on the inclined Upper Triassic volcanics. A second set of Edziza volcanics flowed down the main east-west creek valley at the south end of the Pink claim extending northward along the west side of Nuttlude Lake. Most of the Edziza flows on the Red Dog property consist of columnar basalt interbedded with scoria and pummiceous ash.

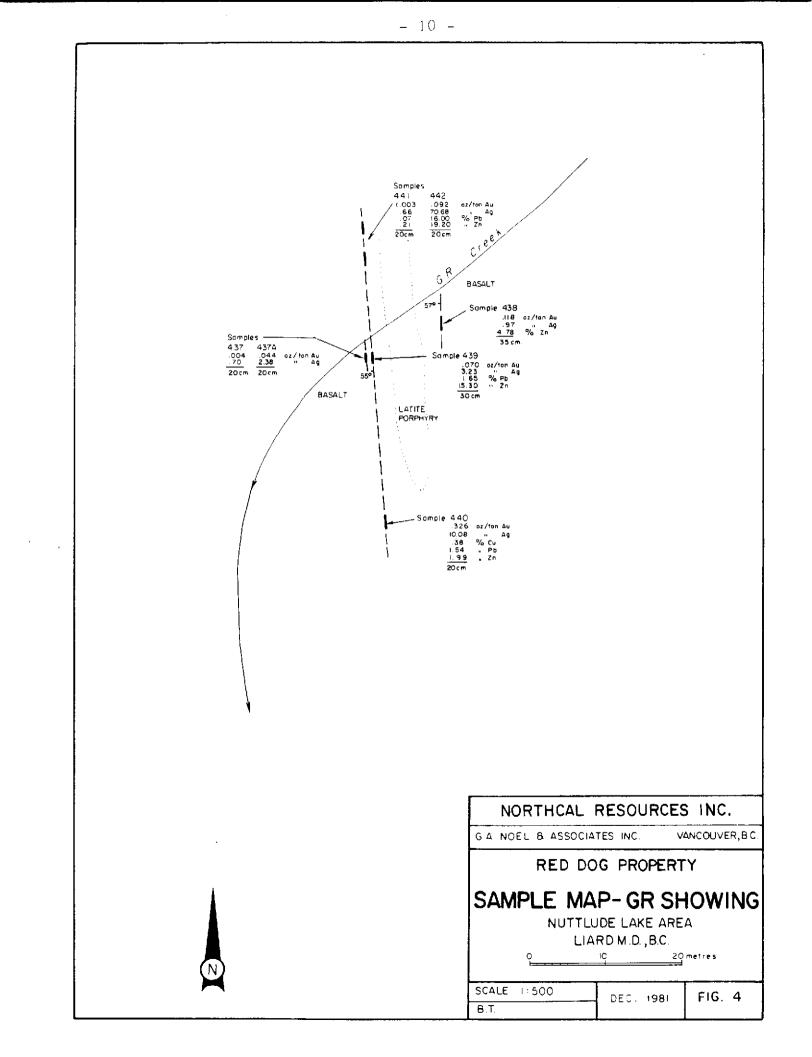
## Mineralization

The most important mineralized zone on the Red Dog property occurs in the southeast quadrant of Red Dog 1 claim. As partially outlined by drilling, this zone is 250 metres long by 45 metres wide and contains at least 2,412,000 tons grading 0.037 oz. gold per ton, which could be mined

G. A. NOEL & ASSOCIATES INC. CONSULTING GEOLOGISTS by a surface mining method. The zone is in, and along, the east side of the dike with about 50% of the mineralization in the dike and 50% in siliceous volcanics and pyroclastics along the east wall of the dike. The zone is shown on the drill sections (Figures 6 to 13) to a depth of 60-100 metres. It is open to the north and south, and at depth. The 1981 geological reconnaissance indicates that the dike extends at least 600 metres to the north of the northern-most drilled section (Section 9735N), and that it probably extends at least 450 metres to the southwest of the southern-most drilled section. To the north, geochemical rock sampling showed low gold values (10-80 ppb) in the dike but low to high gold values (120-2500 ppb) in the pyroclastics on the east side of the dike. These values compare quite well with geochemical analyses from surface samples from the drill-indicated mineralized zone which showed 400 ppb gold in the dike and 170-900 ppb gold in the cherty tuffs along the east wall of the dike. To the south, the intrusive rock showed 600 ppb gold and the volcanic wall-rock, 40-160 ppb gold. Intrusive rock is exposed on the south side of the large east-flowing creek some 500 metres south-southwest of the drilled area on the Red Dog claim. This rock is a monzonite with some skarny inclusions. It shows variable disseminated chalcopyrite and pyrite with some copper oxide on the surface. Two chip samples in the monzonite gave the following analyses:

Length (m)	<u>Au oz/ton</u>	<u>% Cu</u>
20	.032	0.40
8	.104	0.50

A new showing (GR) was disovered in June 1981 about 3400 metres S70<sup>0</sup>W of the main mineralized area. This showing in the

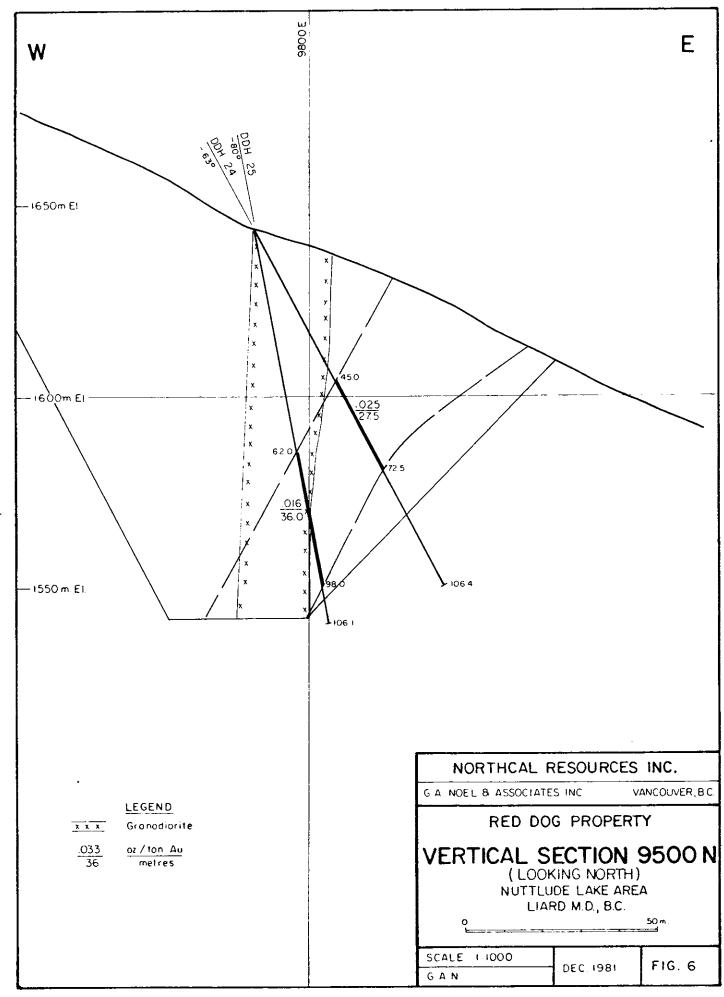


southeast corner of the Red Dog 4 claim consists of two narrow veins 10 metres apart which are exposed by hand trenching for short intervals in the steep walls of a narrow north east-trending creek gulley. The veins strike N10<sup>o</sup>- $20^{\circ}W$  and dip  $50^{\circ}-80^{\circ}$  west in basaltic volcaniclastics. The east vein is up to 35cm wide and is exposed along the south wall of the creek for about three metres. The west vein is 20-30cm wide and is exposed on both sides of the creek for a length of 40 metres. Both veins consist of quartz with pyrite, sphalerite, galena, arsenopyrite and a little chalcopyrite. The east vein assayed 0.118 oz/ton gold, 0.97 oz/ton silver and 4.78% zinc over 35cm. The east vein was sampled in three small trenches and gave an average assay of 0.149 oz/ton gold, 24.46 oz/ton silver, 5.72% lead and 12.61% zinc over an average width of 23.3cm.

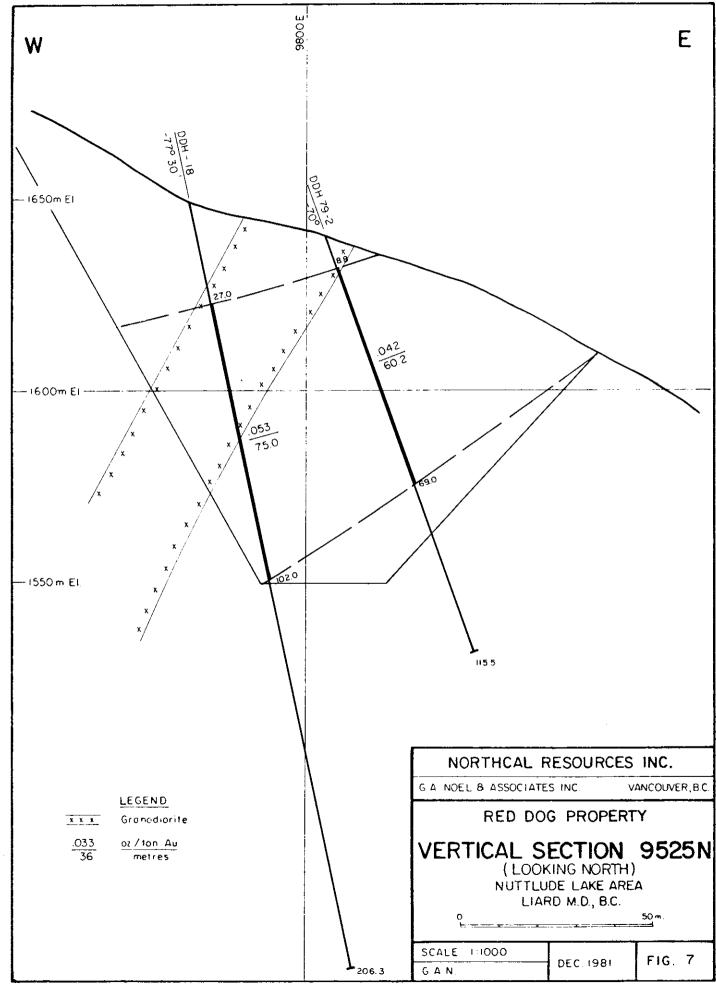
About 500 metres west-northwest of the G.R. showings, pyrite and minor chalcopyrite occur in veinlets in a bleached zone in andesitic volcaniclastics. Two exposures 25 metres apart along a northerly trend gave an average assay of 0.181 oz/ton gold, 1.58 oz/ton silver, 2.12% copper, 0.09% lead and 0.17% zinc across two metres.

### RESERVES

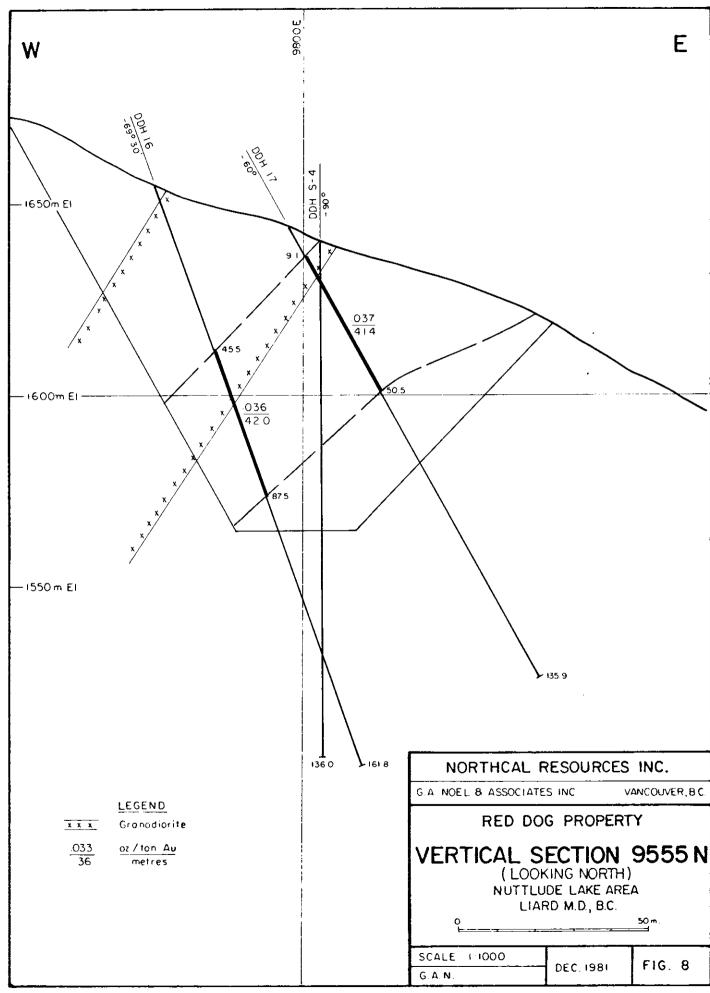
The potential reserves of the main zone in the Red Dog property as partially defined by drilling are shown on Figures 6 to 13. The results are summarized by sections in the following table:



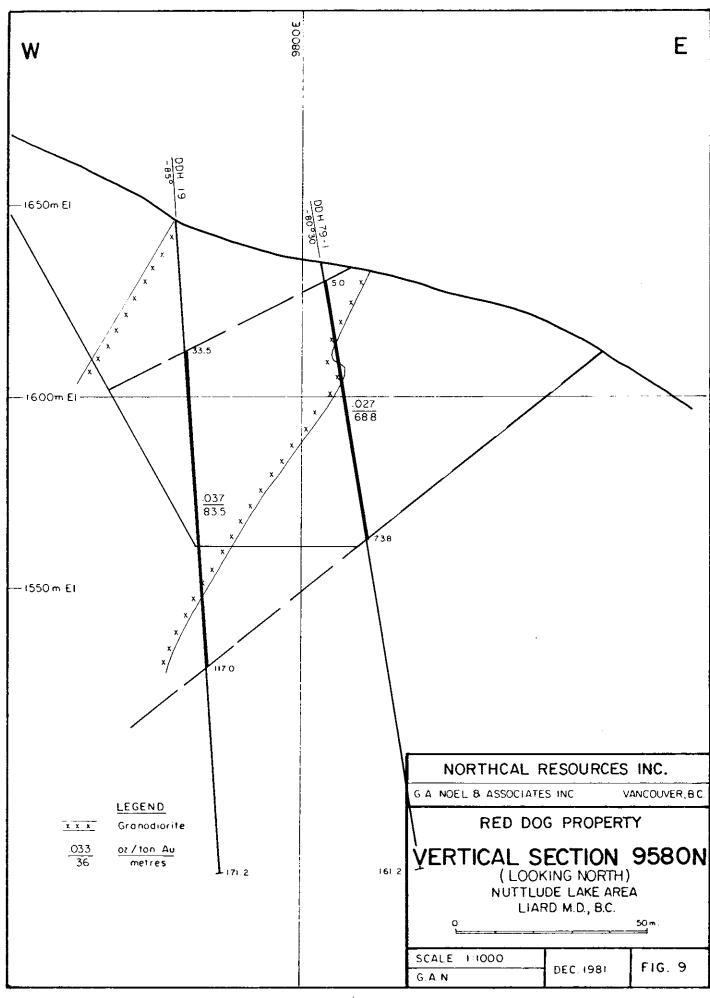
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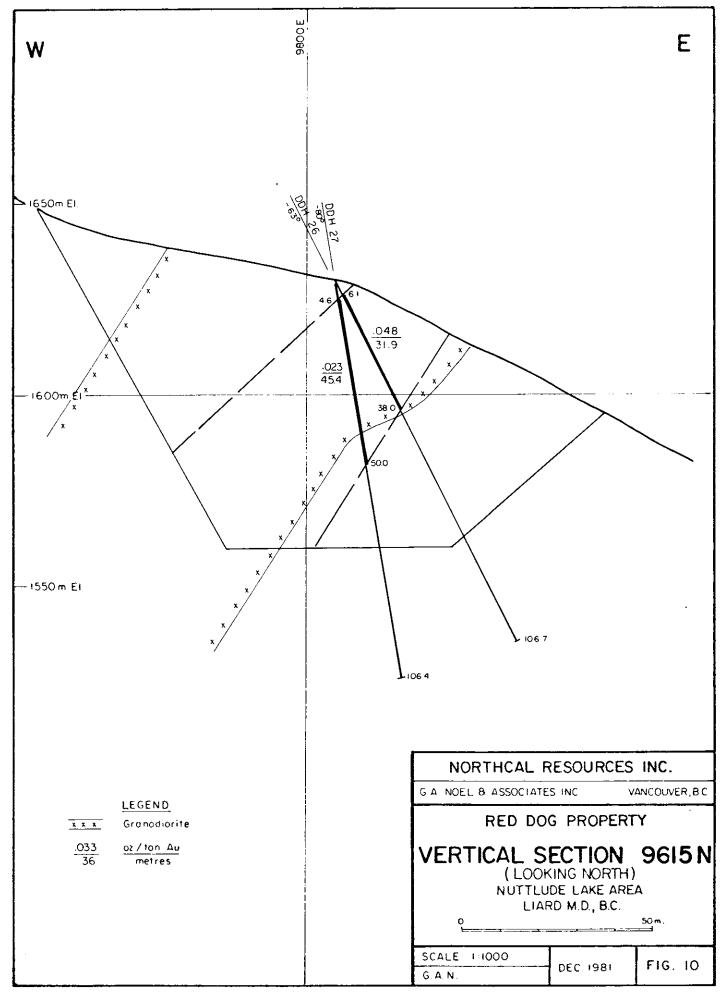
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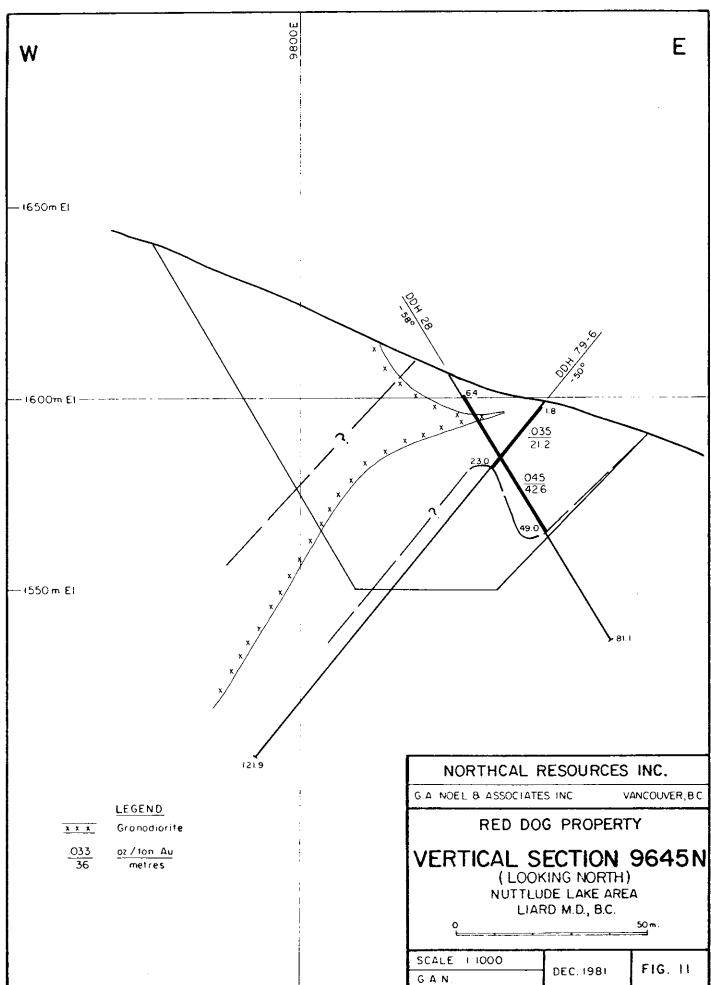


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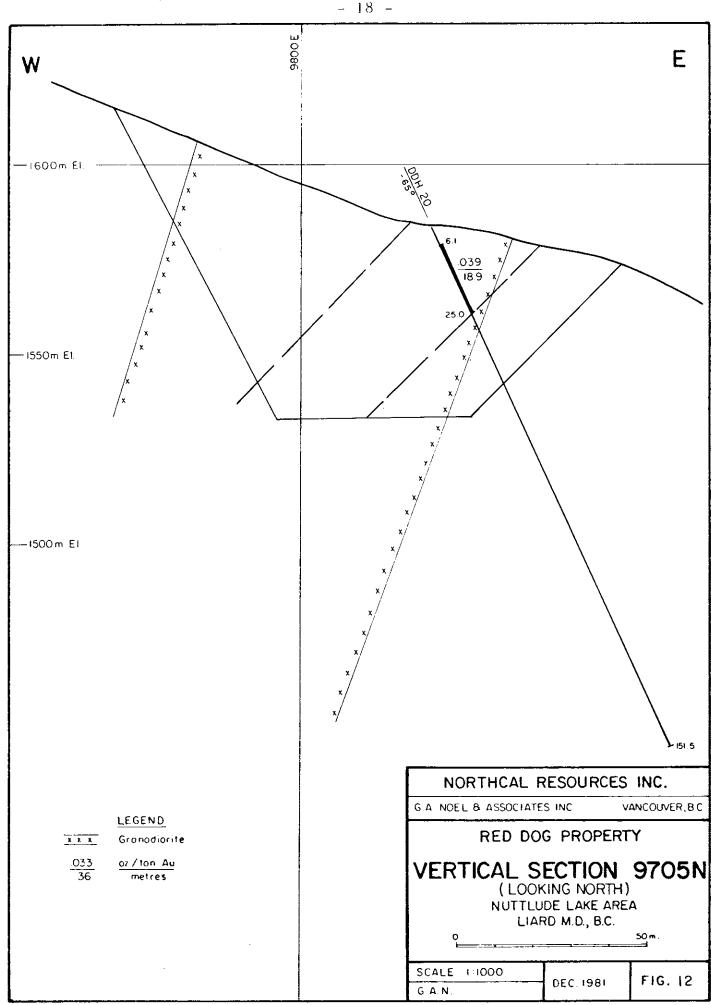


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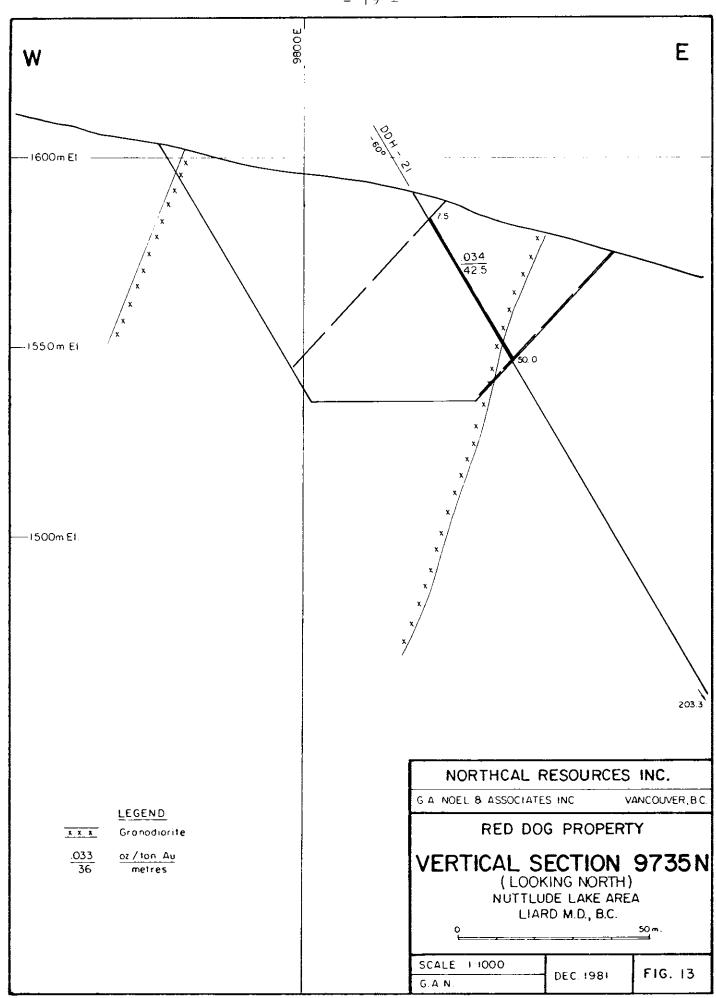






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Section	Minerali: Volume (1		Grade oz/ton Au	Vol.	. X Grade	Volume Waste (m <sup>3</sup> )
9500N 9525N 9555N 9580N 9615N 9645N 9705N 9735N Totals	61,750 159,840 75,924 171,660 88,490 103,680 78,750 69,600		0.020 .048 .037 .033 .033 .042 .039 .034	76 28 56 29 43 30 21	235.0 572.32 309.188 564.78 920.17 354.56 071.25 366.4 093.668	235,50087,210108,48688,680140,695135,720158,85053,2001,008,341
	,	Ŧ	30,093.668	-		2
Average	grade	=	809,694	=	.03/2 oz.	gold per ton
Tonnage	factor	Ŧ	$\frac{2000}{62.5 \times 2.7}$	=	11.85 cu.	ft./ton
Total to	ns	=	$\frac{809,694 \times 3}{11.85}$		$\frac{4}{2} = 2,41$	2,956
Strippin	g ratio (	wast	e : ore) =	$\frac{1,00}{80}$	08,341 9,694 =	1.25

### CONCLUSIONS

A fairly substantial tonnage of low grade gold mineralization has been partially outlined in and along the east side of the main granodiorite dike on the Red Dog claim. As outlined by drilling to date, this north-trending zone contains over 2,400,000 tons grading 0.037 oz/ton gold. The zone is open to the north, south and at depth. The 1981 geological reconnaissance suggests that the zone can be traced for 500 metres to the north and south which should substantially increase the overall tonnage. The average grade may improve with further drilling since there is considerable variance in assays of individual holes across the zone. The zone as delineated is amenable to open pit mining. It is quite possible that a second mineralized zone may be outlined along the hanging wall of the dike similar to that outlined along the dike's footwall. If so, this would substantially increase the potential reserves of the Red Dog property.

### RECOMMENDATIONS

In order to determine the economics of this deposit, it is recommended that a bulk sample be taken for metallurgical testwork, such as leaching and recovery tests. This sample could be obtained very easily at the surface from such sections as 9530N and 9615N.

If the results of the leaching test are favorable, it is recommended that drilling be continued on the main zone. This drilling should be extended both north and south of the presently drilled area on sections spaced at 30-metre intervals.

The west side of the granodiorite dike should be drilled more definitively with holes collared about 50 metres west of the west margin (hanging wall) of the dike. These holes should be drilled on east-west sections at dips of  $50^{\circ}$  to  $75^{\circ}$  to the east.

Some attention should be given to the problem of assaying low grade gold occurrences. A procedure should be established with several good assaying firms and a routine system of check assays should also be initiated.

The G.R. showing should be investigated in more detail and a modest program of geological mapping and soil sampling is recommended for this area. At the same time, some geological and geochemical reconnaissance work could be done on the northern part of the Pink claim.

The estimated cost of these programs is given in the attached cost estimate.

B. Taylor.

G.A. Noel, P.Eng. & B. Taylor, P.Eng.

Vancouver, B.C. December 20, 1981

# COST ESTIMATE

1. Bulk sample (1000 lb.) Sampling Test work	\$ 10,000 10,000 \$ 20,000
2. Drilling (Contingent) Main Zone - 2000 m @ \$150 West Zone - 1000 m @ \$150	\$300,000 <u>150,000</u> 450,000
3. Geology & Soil Sampling (Red Dog 4 & Pink claims)	$\frac{10,000}{480,000}$
Total	φ 480,000
Contingencies	70,000
TOTAL COST	\$ <u>550,000</u>

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#### CERTIFICATE

- I, Gerald A. Noel, do hereby certify that:
- I am a practising geological engineer with G.A. Noel & Associates, Inc., 622 - 510 West Hastings Street, Vancouver, B.C.
- 2. I am a graduate of the University of B.C. and the University of Toronto and have been granted the degree of Master of Applied Science.
- 3. I have been practising my profession as a geological engineer for over 25 years.
- 4. I am a member of the Association of Professional Engineers of British Columbia, Registration No.4283.
- 5. I was directly involved in the 1981 fieldwork on the Red Dog property and this work served as the basis for this report.
- 6. Neither I nor any member of my firm has directly or indirectly received or expects to receive any interest direct or indirect in the property or securities of Northcal Resources Inc.
- 7. Northcal Resources Inc. is hereby given permission to reproduce this report, or any part of it, for the purpose of a financial prospectus; provided, however, that no portion may be used out of context in such a manner as to convey a meaning differing materially from that set out in the whole.

G.A. NOEL, P.Eng.

Vancouver, B.C. December 20, 1981

### - 25 -

#### CERTIFICATE

- I, Bert Taylor, do hereby certify that:
- I am a practising geological engineer with G.A. Noel & Associates, Inc., 622 - 510 West Hastings Street, Vancouver, B.C.
- 2. I am a graduate of the University of Saskatchewan and have been granted the degree of Bachelor of Science in Geological Engineering.
- 3. I have been practising my profession as a geological engineer for over 25 years.
- 4. I am a member of the Association of Professional Engineers of British Columbia, Registration No.7879.
- 5. I was directly involved in the 1981 fieldwork on the Red Dog property and this work served as the basis for a portion of this report.
- 6. Neither I nor any member of my firm has directly or indirectly received or expects to receive any interest direct or indirect in the property or securities of Northcal Resources Inc.
- 7. Northcal Resources Inc. is hereby given permission to reproduce this report, or any part of it for the purpose of a financial prospectus; provided, however, that no portion may be used out of context in such a manner as to convey a meaning differing materially, from that set out in the whole.

BERT TAYLOR, P.Eng.

Vancouver, B.C. January 11, 1982

### STATEMENT OF QUALIFICATIONS

I, Fred G. Hewett, with business address in the City of Vancouver, and residential address in the District of Coquitlam, in the Province of British Columbia, DO HEREBY CERTIFY THAT:

- 1. I am a graduate of the University of British Columbia with a Bachelor of Science Degree in Geology.
- 2. I am a registered member of the Association of Professional Engineers of the Province of British Columbia.
- 3. I am a member of the Canadian Institute of Mining & Metallurgy, a fellow of the Geological Association of Canada, and a member of the Society of Economic Geologists.
- 4. I have practiced various levels of my profession in Canada for approximately fifteen years.
- 5. I am presently employed by Northair Mines Ltd., and have direct knowledge of the work described in this report.

and flackt

Fred G. Hewett, P. Eng.

Dated at the City of Vancouver, In the Province of British Columbia, This 28th day of January, 1982

# STATEMENT OF EXPENSES

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Morthcal Resources Ltd.

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1450 - 625 Howe Street, Vancouver, B.C. V6C 2T6 Telephone 687-7545

# STATEMENT OF EXPENSES

# RED DOG PROPERTY

1.	G.A. Noel & Associates Invoice: Geological Fieldwork	\$	8,331.18
2.	G.A. Noel & Associates Invoice: Report Preparation		6,074.56
3.	Northcal Support Services: Room & Board - 38 mandays @ \$50/day Helicopter Support - 30 hrs @ \$350/hr (including fuel)		5,400.00
	TOTAL	<u>\$1</u>	9,805.74

January 28, 1982 Fred G. Hewett, P.Eng.

G. A. NOEL & ASSOCIATES INC.

CONSULTING GEOLOGISTS 622-510 W. HASTINGS ST. VANCOUVER, B. C. VGB ILB

TELEPHONE (604) 689-5833

January 27, 1982

Northcal Resources Inc. 1450 - 625 Howe Street Vancouver, B.C. V6C 2T6

### INVOICE

Re: Report preparation on Red Dog group of claims, Liard Mining Division, British Columbia

Services:

G.A. Noel - December 1981 equivalent to 7 days @ \$300/day B. Taylor - September & October 1981 equivalent to 11 days @ \$300/day	\$ 2,100.00
x 2/3 split with Newhawk	2,200.00
Disbursements: see attached	1,774.56

Total Due \$ 6,074.56

Distribution as follows: from september 1981 invoice (for fieldwork) \$8,331.18 this invoice <u>6,074.56</u> \$14,405.74 <u>Red, Red Dog, Pink claims 2/3</u> <u>89,603.83</u> <u>84,801.91</u>

# G. A. NOEL & ASSOCIATES INC.

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CONSULTING GEOLOGISTS 622-510 W. HASTINGS ST. VANCOUVER, B. C. V6B 1L8

TELEPHONE: (604) 689-5533

September 14, 1981

Northcal Resources Ltd. 1450 - 625 Howe Street Vancouver, B.C. V6C 2T6

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# INVOICE

Re: Servio	D Taylor August	8-31, 17 days @ \$300/day 26,27,29-3 days @ \$300/d	\$5,100.00 ay 900.00
Wages:	Dave Cook, August	6-27, 18 days @ \$100/day	1,800.00
Expenses:	(see attached sheets) B. Taylor (prorat G.A. Noel (prorat	ed)	261.18 270.00 \$8,331.18

# EXPENSE STATEMENT - B. Taylor Vancouver to Eddontenajon and Return, August 8-31, 1981

1.00

Date	Place	Item	Amount
August 8	Vancouver	C.P. Air Ticket to Terrace and Return	\$220.30
August 8	Terrace	T.P.A. Ticket to Eddontenajon and Return	246.00
August 31	Terrace	Overweight Baggage	14.88
August 31	Terrace	Dinner for G.A. Noel & Myself	30.00 \$511.18

Distribution:	Northca	l Res	ources	Ltd.	\$261.18
	Newhawk	Gold	Mines	Ltd.	250.00
					\$511.18

G. A. NOEL & ASSOCIATES INC. CONSULTING GEOLOGISTS

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EXPENSE STATEMENT - G.A. Noel Vancouver to Eddontenajon & Return August 26 - 31

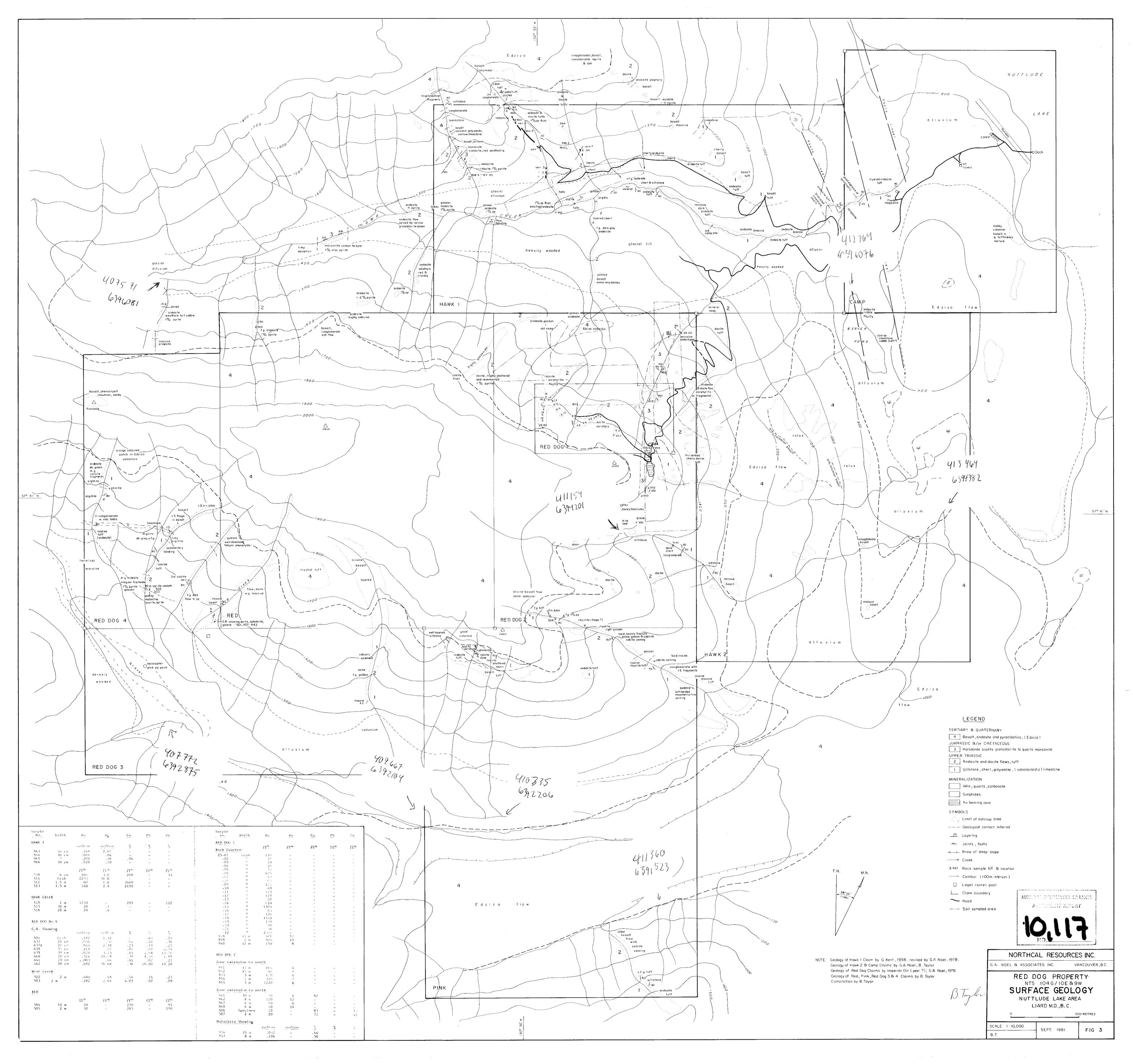
Date	Place	Item	Amount
August 25	Vancouver	Map-Dum. Map	\$ 2.65
August 25	Vancouver	Geological Survey	3.98
August 26	Vancouver	R <b>et</b> urn Air Fare	466.30
August 26	Vancouver	Taxi	15.00
August 26	Eddontenation	Lunch	7.50
August 31	Eddontenajon	Lunch (2 People)	10.00
August 31	Terrace	Excess Baggage	14.88
August 31	Terrace	Taxi	10.00
		TOTAL EXPENSES	\$530.31

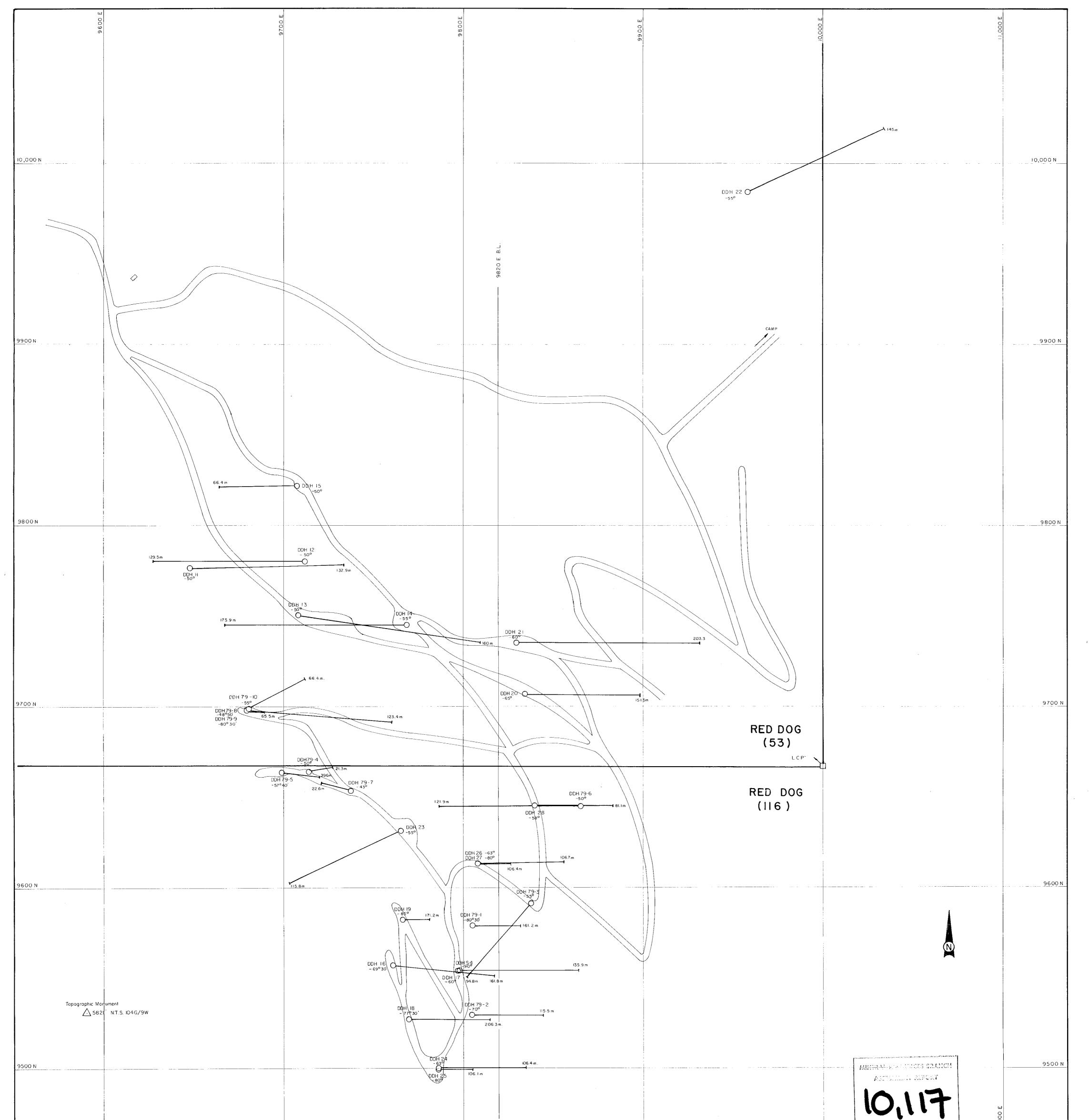
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Distribution:	Northcal Resources Lt	d. \$270.00
	Newhawk Gold Mines Lt	d. 260.31
		\$530.31

G. A. NOEL & ASSOCIATES INC. CONSULTING GEOLOGISTS

COLUMN TO STATE





				NO	<u> </u>
					NORTHCAL RESOURCES INC.
					G. A. NOEL & ASSOCIATES INC. VANCOUVER, B.C.
					RED DOG PROPERTY
					SURFACE DRILLING PLAN
				B. Taylow.	NUTTLUDE LAKE AREA - LIARD M.D., B.C.
				1	0 50 m.
Ō	z	ω O	ш Q	000 Е	SCALE 1:1000 DEC. 1981 FIG. 5
9400 N 0	026	0 8 0	066	ତ ହ 9400 N	G.A.N. DEC. 1981 FIG. 5