



exploration ltd.

82-198-10206,

GEOLOGY · GEOPHYSICS
MINING ENGINEERING

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GEOCHEMICAL
ASSESSMENT REPORT

on the
MINERAL CREEK PROPERTY
(YELLOW CLAIM)

Lat 49° 11'

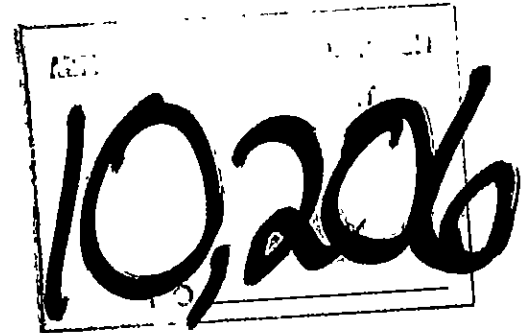
Long 124° 39'

N.T.S. 92 F/2E

Alberni Mining Division - British Columbia

for

SILVER CLOUD MINES LTD.



by

D. G. Allen P. Eng (B.C.)

March 25, 1982

North Vancouver, B.C.

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SUMMARY

Silver Cloud Mines Ltd. holds a 6 unit claim (YELLOW claim) covering lode gold mineralization on southern Vancouver Island. The claim is situated on Mineral Creek, a tributary of China Creek, 12 kilometres southeast of Port Alberni. Access is by logging road to the west side of Mineral Creek and thence by bulldozer road and trail to the showings.

The claim area is underlain by Late Paleozoic Sicker Group volcanic rocks. A prominent altered mylonite zone containing pyrite, quartz veinlets and anomalous gold values, outcrops in Mineral Creek. Three gold-quartz veins parallel the mylonite on its east side. The mylonite was found to contain interesting gold values over a length of 250 metres indicating large-tonnage low-grade possibilities. The quartz veins range in width from 7 to 30 cm and are exposed over a length of 325 metres. Grades are generally low but at least one high grade shoot (a 75 by 0.15 metre zone grading 3.69 oz/ton Au) has been reported.

In July, 1981, three man days were spent on the property to evaluate conditions of the road and workings and to decide on a possible exploration program. A 1:5000 base map was prepared and 16 rock samples were taken for multi-element analyses in selected areas.

CONCLUSION

The Mineral Creek property has two interesting exploration possibilities.

1) It might be possible to establish a small tonnage of high grade material in the known vein system or possibly in some undiscovered veins.

2) Potential exists for outlining a large-tonnage of low-grade material. Anomalous gold values are found over a length of 900 metres and values averaging about 0.05 oz/ton are found over a length of 250 metres or more and width of up to 15 metres. This suggests a tonnage of greater than one million tons. Further sampling is warranted to outline the full extent and width of the gold-bearing zone and to determine whether or not higher grade zones might be present.

RECOMMENDATIONS

The following work is recommended:

- 1) Open up access road.
- 2) Geological mapping should be carried out to determine the width and extent of the mylonite zone.
- 3) Channel sampling across the entire width of the mylonite zone in a number of places should be carried out to establish the grade distribution on the zone.
- 4) Soil sampling should be carried out over the entire property to help locate other possible gold bearing zones.
- 5) Geophysical surveys - an induced polarization survey would aid in outlining the pyritic mylonite zone and to detect other similar zones. VLF-EM surveys would help detect any vein structures.
- 6) Open up selected workings.
- 7) Prior to any extensive work, silt geochemical surveys should be undertaken in Mineral Creek and nearby tributaries of China Creek, considering the high arsenic content obtained in the 1981 sampling program. This would provide information for environmental control.

Such a program would define targets for drilling or exploration trenching.

INTRODUCTION

Silver Cloud Mines Ltd. holds a 6 unit claim, (YELLOW claim) in the China Creek area of southern Vancouver Island (figure 1). The claim covers a gold-bearing mylonite zone and 3 gold-quartz veins in Sicker group volcanic rocks. The showings were partly developed in the late 1890's, again between 1933 and 1936 and a small tonnage produced.

D. G. Allen, G. M. Allen and D. Cuvelier of A and M Exploration Ltd. spent one day (July 10, 1981) on the property for Silver Cloud Mines Ltd. to examine the condition of the access road and workings and to re-evaluate the exploration potential. Some of the quartz veins were sampled from the accessible stopes and a number of samples taken from the mylonite zone. A 1:5000 base map was prepared from maps supplied by MacMillan Bloedel Ltd.

LOCATION, ACCESS AND PHYSIOGRAPHY

The YELLOW claim is situated on southern Vancouver Island, 12 kilometres southeast of Port Alberni (figure 2). The claim lies between elevations 460 and 1050 metres on Mineral Creek, a tributary of China Creek. Topography in the area is moderately steep and locally very steep. Access is by logging road to the southwest corner of the claim group at 580 metres elevation and thence by bulldozer road, now partly washed out, and trail along the west side



92 F/2

ACCESS MAP
YELLOW CLAIM

Alberni Mining Division - British Columbia



Figure 2

of Mineral Creek. Vegetation consists of a mature stand of hemlock and cedar although the southern edge of the claim has been logged off.

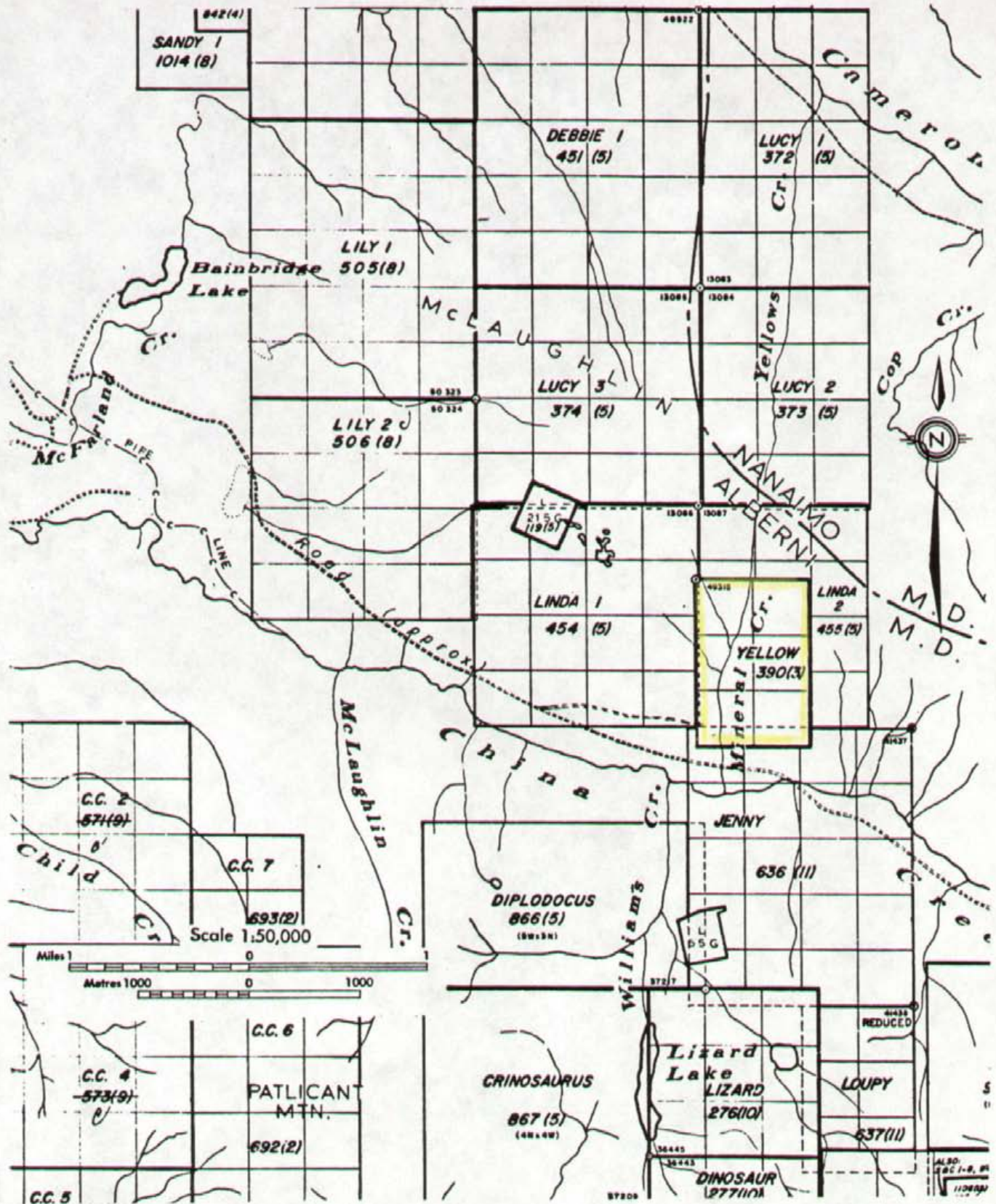
CLAIM DATA

The YELLOW claim is owned by Silver Cloud Mines Ltd. The claim comprises 6 units, record number is 390 (3) and record date is March 25, 1979 (figure 3). The position of the legal corner post was not checked in the field, however, an identification post (1E, OS) was found in Mineral Creek. The claim plot on figure 4 is plotted on the basis of the location of this post.

HISTORY

The Mineral Creek property was developed in the late 1890's by Consolidated Alberni Gold Mining Company and again in 1933 to 1936 by Vancouver Island Gold Mines. A 35 ton mill was constructed and a total of 750 metres of underground development in 7 adits carried out (Stevenson, 1944). Total production amounted to 403 tons containing 303 ounces of gold and 32 ounces of silver.

In 1973 to 1975, the property was held by Keywest Resources Ltd. (SAM claims) who carried out prospecting and sampling (Sheppard, 1974, 1975).



N.T.S. 92 F/2E

CLAIM MAP

YELLOW CLAIM

Alberni Mining Division - British Columbia

Donald G. Allen

A.M. exploration Ltd.

The property was acquired in 1979 by Silver Cloud Mines Ltd. who carried out an examination (Sheppard, 1979) and access road development.

ASSAYS AND GEOCHEMICAL RESULTS

In July 1981, some of the quartz veins were sampled from the accessible stopes (1YG series - 10 samples) and a number of samples taken from the mylonite zone in Mineral Creek (1YA series - 6 samples). Samples were analysed for Mo, Cu, Ag, Zn, Pb, As and Au. Sample sites are plotted on figure 4 and results presented in Table 1 and Appendix I.

Sample results from the veins reported by Richmond, Stevenson and Sheppard generally indicated low grades except for a 750 by 0.15 metre section in the Mac vein that averaged 3.69 oz/ton gold. Sheppard (1979) inferred the presence of about 800 tons but this may have been partly mined out. The general low grade nature of the veins is supported by the results from this study.

Results of 79 samples taken by Stevenson (1944) from the adits and 12 strippings in the mylonite zone over a length of 150 metres average 0.05 oz/ton Au. These compare with results obtained by Sheppard on 24 samples averaging 0.043 oz/ton taken from the two adits and results ranging from 0.012 to 0.084 oz/ton in this study. Results indicate that this zone contains anomalous gold values over a length of 900 metres and significant gold values (0.05 oz/ton \pm)

TABLE 1

<u>SAMPLE NO.</u>	<u>SAMPLE DESCRIPTION</u>	Oz/ton Au
1 YGT 1	7-10 cm qtz vein - upper Belcher adit	0.008
2	7-10 cm qtz-py vein - upper Belcher adit	0.560
3	15-18 cm qtz vein - upper Belcher adit	0.015
4	12 cm qtz vein 10 m in from portal upper Belcher adit	0.046
5	22 cm qtz vein 9 m " " " " " "	0.036
7	13 cm qtz vein 5 m " " " " " "	0.016
8	46 cm qtz vein-open stope above upper Mac adit	0.270
9	25 " " " " " " " " " "	0.080
10	24 " " " " " " " " " "	0.160
11	25 " " " " " " " " " "	0.010
1 YAT 133	Silicified greenstone with 1-2% dissem py	nil
134	Bleached greenstone with abundant py - upper Shear adit dump	0.048
135	Silicified greenstone with abundant py	0.050
136	" " " " "	0.012
137	Silicified greenstone with abundant py - lower Shear adit dump	0.027
138	Silicified greenstone with abundant py	0.084

over a length of 250 metres. Assuming a comparable depth extent and a width of 10 metres then a large tonnage (1 to 2 million tonnes) is suggested.

Significant arsenic values (100 - 3000 ppm) are found to be associated with the gold, indicating that arsenic might be a useful indicator element in any further geochemical surveys. Molybdenum, copper, silver, zinc and lead values are essentially insignificant.

Respectfully submitted,



Donald G. Allen, P. Eng. (B.C.)

REFERENCES

- Muller, J.E. (1977) Geology of Vancouver Island. Geol. Survey Canada. Open File 463.
- Richmond, A.M. (1934) Vancouver Island Gold Mines Ltd. in Min. Mines Ann. Rpt. 1934, p. F2-F4.
- Sheppard, E.P. and Szakacs, J. (1974) Prospecting Report on the SAM Group. B.C. Min. Mines Assess. Rept. 4915.
- Sheppard, E.P. (1975) Assessment Report; Sam Group of Claims. B.C. Min. Mines Assess Rept. 5443.
- Sheppard, E.P. (1979) Geological Report; Yellow Group. Private Report for Silver Cloud Mines Ltd.
- Stevenson, J.S. (1936) Vancouver Island Gold Mines Ltd. in Min. Mines Ann. Rept. 1936, p. F25-F30.
- Stevenson, J.S. (1944) Geology and Ore Deposits of The China Creek Area, Vancouver Island in B.C. Min Mines Ann. Rept. 1944, p. A142-A161.

CERTIFICATE

I, Donald G. Allen certify that:

1. I am a Consulting Geological Engineer, resident at 4570 Hoskins Road, North Vancouver, B.C.
2. I am a graduate of the University of British Columbia with degrees in Geological Engineering. (B.A.Sc., 1964; M.A.Sc., 1966)
3. I have been practising my profession since 1964.
4. I am a member in good standing of the Association of Professional Engineers of British Columbia.
5. This report is based on field work carried out on July 10, 1981.
6. I hold no interest, nor do I expect to receive any, in the YELLOW Claim or in Silver Cloud Mines Ltd.
7. I consent to the use of this report in a Statement of Material Facts or in a Prospectus by Silver Cloud Mines Ltd.

North Vancouver, B.C.
March 25, 1982

Donald G. Allen
P. Eng. (B.C.)

Donald G. Allen

APPENDIX I

Rossbacher Laboratory Ltd.

GEOCHEMICAL ANALYSTS & ASSAYERS

2226 S. SPRINGER AVE.,
BURNABY, B. C.
CANADA
TELEPHONE: 299-6910
AREA CODE: 604

CERTIFICATE OF ANALYSIS

TO: A & M EXPLORATION LTD.
4570 HOSKINS ROAD
NORTH VANCOUVER, B.C.

ATTN: 81 - 118

CERTIFICATE NO. 81208-3

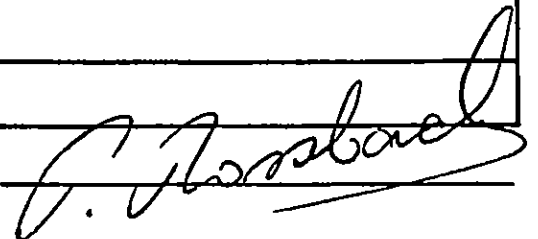
INVOICE NO. 1349

DATE RECEIVED

DATE ANALYSED July 20, 1981.

SAMPLE NO.:	oz/t Au
81 YGT 01	0.008
81 YGT 02	0.560
81 YGT 03	0.015
81 YGT 04	0.046
81 YGT 05	0.036
81 YGT 07	0.016
81 YGT 08	0.270
81 YGT 09	0.080
81 YGT 10	0.160
81 YGT 11	0.010

Certified by



Rossbacher Laboratory Ltd.

GEOCHEMICAL ANALYSTS & ASSAYERS

2225 S. SPRINGER AVE.,
BURNABY, B. C.
CANADA
TELEPHONE: 299-6910

CERTIFICATE OF ANALYSIS

CERTIFICATE NO. 81208-2

INVOICE NO. 1349

DATE ANALYSED July 21, 1981.

TO: A & M EXPLORATION LTD.

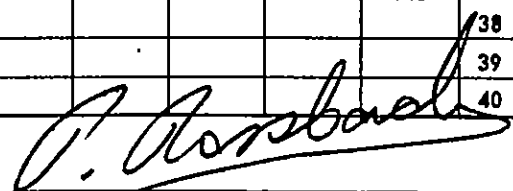
4570 HOSKINS ROAD,
NORTH VANCOUVER, B.C. V7K 2R1

PROJECT 81 - 118

No.	Sample	pH	Mo	Cu	Ag	Zn	Pb	As	Pb Au	g/gm Au				No.
01	81 YAT 133		1	60	0.2	60	8	18	10					01
02	134		1	210	1.2	90	6	180	1500	0.048				02
03	135		1	38	0.4	48	10	510	1560	0.050				03
04	136		1	200	0.6	50	4	104	360	0.012				04
05	137		1	42	0.2	46	8	120	870	0.027				05
06	138		1	16	0.6	40	10	1060	2610	0.084				06
07	81 YGT 01		1	70	0.4	50	4	78						07
08	02		1	16	3.6	44	32	1400						08
09	03		1	38	0.4	66	4	176						09
10	04		1	36	0.6	34	12	180						10
11	05		1	18	1.0	50	10	144						11
12	07		1	20	0.6	50	6	126						12
13	08		1	52	1.4	70	6	640						13
14	09		1	16	0.8	96	6	3000						14
15	10		1	12	0.4	88	6	640						15
16	81 YGT 11		1	14	0.4	80	4	520						16
17														17
18														18
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VALUES IN PPM, UNLESS NOTED OTHERWISE.

Certified by



APPENDIX II

AFFIDAVIT OF EXPENSES

This will certify that a property examination and geochemical surveys were carried out on July 10, 1981 on the YELLOW CLAIM, Alberni Mining Division, Mineral Creek area, British Columbia to the value of the following:

Mobilization and Fieldwork

Salaries

D.G. Allen	1.0 days @ \$300	\$ 300.00
G.M. Allen	1.0 days @ \$300	300.00
D. Cuvelier	1.0 days @ \$100	100.00

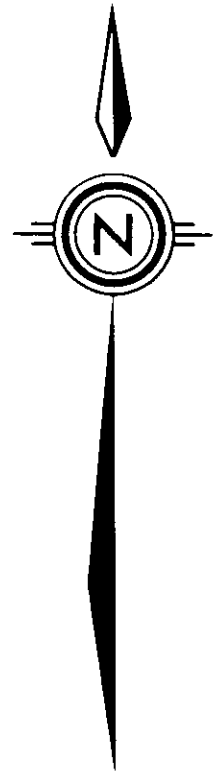
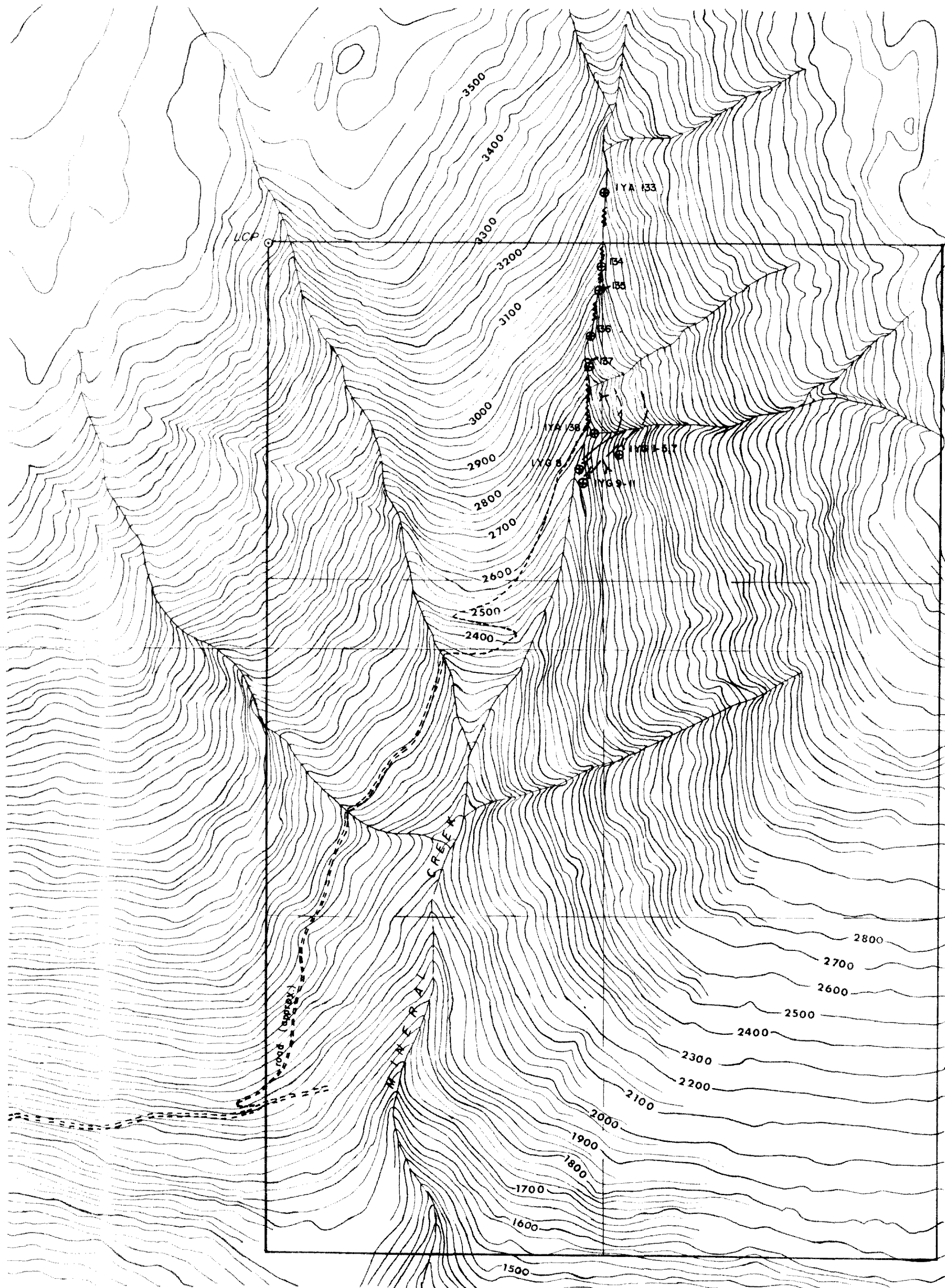
Travel and vehicle expenses	124.90
Field Supplies	10.64
Assays	171.30

Report

D.G. Allen	1.5 days @ \$300	450.00
Typing, photocopying, compilation		122.12
Maps		37.86
		<hr/>
		\$1,616.82

Donald G. Allen, P. Eng (B.C.)

Donald G. Allen



LEGEND

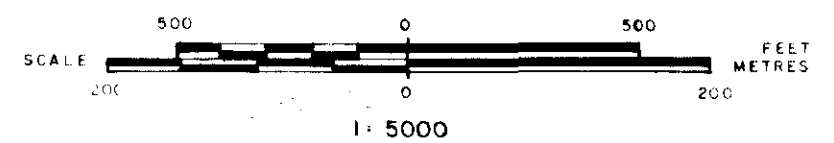
- ⊕ Rock sample
- Y Adit
- ~ Fault
- Road, trail
- - - Quartz vein

10,206

SILVER CLOUD MINES LTD.

MINERAL CREEK PROPERTY
 YELLOW CLAIM
 ALBERNI MINING DIVISION - BRITISH COLUMBIA

CLAIM & SAMPLE LOCATIONS



Ronald S. Allen
exploration ltd.