

82-#957-1097E

PAYMASTER RESOURCES LTD.
811 - 543 GRANVILLE STREET
VANCOUVER, BRITISH COLUMBIA

ASSESSMENT REPORT
on a
VLF-EM AND MAGNETIC SURVEY
on the
FAIRVIEW AND MORNING STAR CLAIMS
OSOYOOS MINING DIVISION
OLIVER, BRITISH COLUMBIA

NTS 82 E/4E

N.Lat. 49°12'

W.Long. 119°37'

by

R.J. ENGLUND, B.Sc.
STRATO GEOLOGICAL ENGINEERING LTD.
103 - 709 DUNSMUIR STREET
VANCOUVER, BRITISH COLUMBIA

February 14, 1983

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

10,978



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VLF-EM and MAGNETIC SURVEY

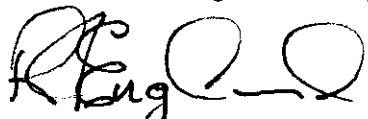
FAIRVIEW AND MORNING STAR CLAIM GROUP

SUMMARY

A reconnaissance VLF electromagnetic and magnetic survey program carried out by Geo Teck Services Ltd. has indicated a number of conductive-magnetic zones which are attributed to an intrusive-metasediment contact and possible shear zones. Mineralized quartz veins associated with the sheared Kobau metasediments are known in the northern claim areas and so make the indicated conductive zones primary target areas for follow-up exploration.

A program of detail geophysical checks, geochemical soil sampling, and geological mapping is recommended to establish the mineral potential of the indicated zones of interest.

Respectfully submitted,
Strato Geological Engineering Ltd.


Ralph J. Englund, B.Sc.
Geophysicist.

February 14, 1983

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INTRODUCTION

Persuant to a request by the Directors of Consolidated Paymaster Mines Inc., a combined Magnetometer and VLF electromagnetic survey was conducted over the Fairview and Morning Star mineral claim group by Geo Teck Services Ltd. during the period May 2 to May 21, 1982.

The intent of the geophysical work was to outline any geological structure and/or fault or shear zones which might be related to possible gold vein structures known to occur within the northern claim areas.

The basis of this report is a study of the results of some 41 line kilometers of geophysical survey work presented to the writer by the company directors for interpretation and evaluation.

LOCATION, ACCESS, TOPOGRAPHY

The claim group is located some 8 kilometers west of the town of Oliver, B.C. along the south and east boundary area of a large block of reverted crown grant mineral claims in the former Fairview Mining Camp.

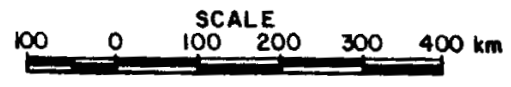


FIGURE 1

LOCATION MAP
MORNING STAR & FAIRVIEW CLAIMS
To accompany a report by R. J. ENGLUND
FEBRUARY 14, 1983

Easy access to the property from Oliver is along a gravel road going westward to Cawston, B.C. The northern claim areas are also accessible by four-wheel drive vehicle along the old wagon trail road through the former Fairview Mining Camp (shown on topographic map 82E/4).

The property can be considered to have generally low to moderate topographic relief which slopes generally eastward. Some steeper ground is found along Reed Creek which traverses easterly through the southern claims area. Elevations vary between 670 meters at the southeast corner of the Morning Star claim to over 1400 meters along the southwestern boundary of the Fairview claim. The claims area is generally forested with fir, pine, and spruce with some grazing land at lower elevations.

CLAIMS

The property consists of four reverted crown grant claims and two mineral claims located by staking situate in the Osoyoos Mining Division. The geographical coordinates of the approximate center of the claims group are 49° 11.5' north latitude by 119° 37.5' west longitude.

The claims are recorded as follows:

<u>Claim Name</u>	<u>Lot No.</u>	<u>Record No.</u>	<u>Area (Hectares)</u>	<u>Expiry Date</u>	<u>Record Holder</u>
Black Diamond	L578s	637(2)	8.83	Feb. 12, 1987	J.C. Turner
Homestake	L649s	641(2)	8.09	Feb. 12, 1987	J.C. Turner
May Queen Fr.	L3277s	642(2)	9.74	Feb. 12, 1987	J.C. Turner
Dalton Fr.	L3278s	638(2)	8.95	Feb. 12, 1987	J.C. Turner
Morning Star	-	1300(12)	9 units	Dec. 19, 1982	K. George
Fairview	-	1301(12)	15 units	Dec. 19, 1982	K. George
Fidelity	L3279	639(2)	1 unit	Feb. 12, 1983	J.C. Turner

The Fairview and Morning Star claims border a number of reverted crown grant claims in their northern areas and, as indicated on Figure 3, may not contain a full 24 claim units. The Morning Star claim is contiguous with the Black Diamond, Homestake, May Queen Fr., Dalton Fr., and Fidelity claims.

The claims are shown on British Columbia Ministry of Energy, Mines, and Petroleum Resources Mineral Claim May 82E/4E. Assessment work has been filed, this report being a part of the work to maintain the Fairview and Morning Star claims in good standing until 1984 and the Fidelity claim until 1985.

B

C

D

TO NORTH SEE MAP E2E/5E

119°30' 49"15

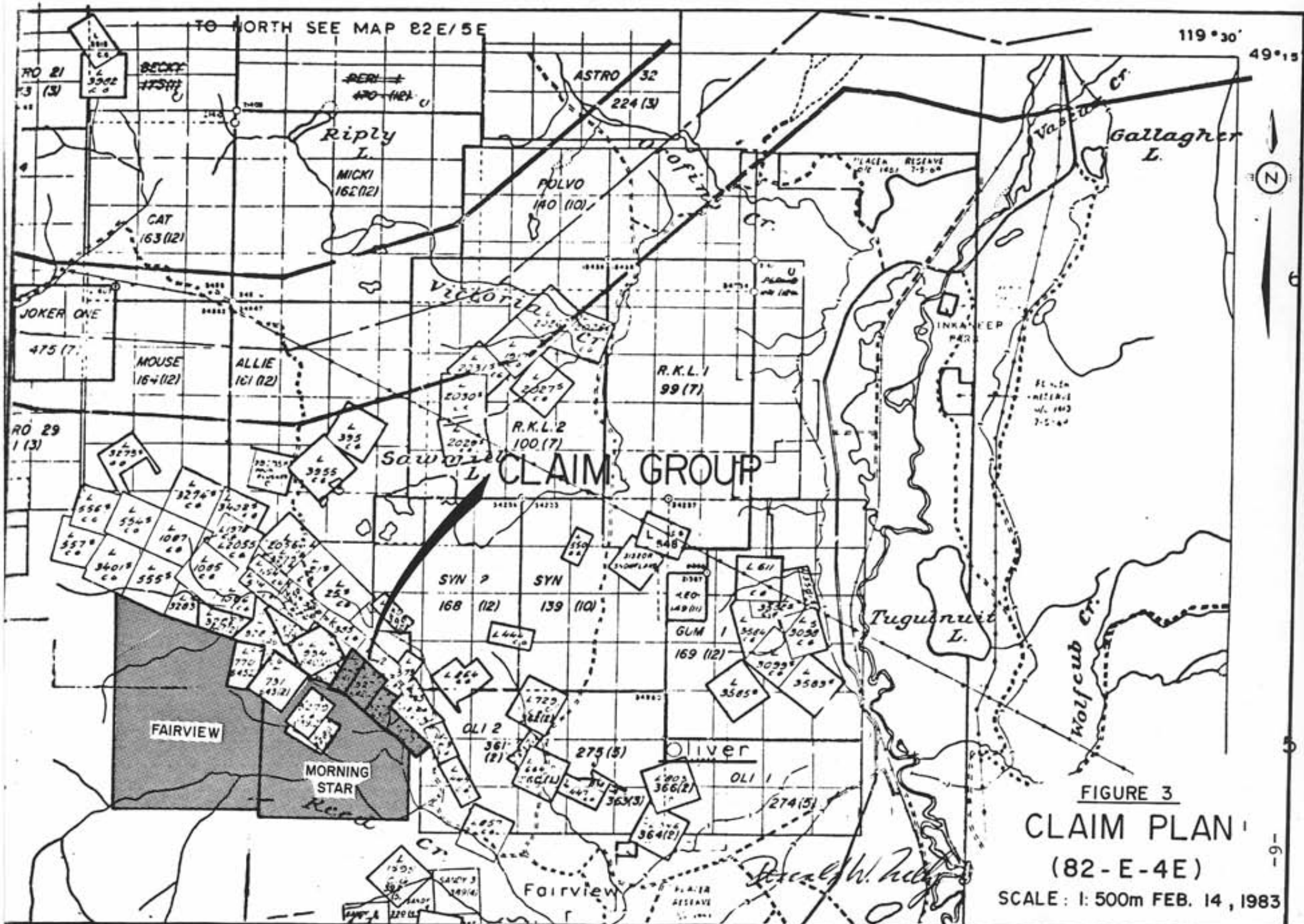


FIGURE 3
CLAIM PLAN

(82 - E - 4E)

SCALE: 1: 500m FEB. 14, 1983

GENERAL GEOLOGY

The main lithological units underlying the claims area are the Kobau (Anarchist) group of metasediments (schist, gneiss, phyllites, quartzites, and greenstone) and the Fairview granodiorite intrusive unit along with its associated dyke rocks. The younger Oliver granitic unit is mapped as occupying the areas just north of the claim group. The claims overlie the northwestern portion of the Fairview intrusive unit with the Fairview claim occupying the northwestern contact area of this unit and the older Kobau metasediments. Structural trends in the metasediments are generally northwesterly through the claims area.

D.W. Tully, P.Eng., on property visits in 1979 through 1982, has noted considerable "dragfolding, shearing, and crossfaulting in the metasediments and frequently fine white quartz veins and veinlets in the area of former test pit operations." He further states that

"the strong shear zones noted on the Fairview claim area suggest these structures probably continue to great depth. These shear zones were the locus of emplacement of the quartz vein structures carrying gold with fine amounts of galena and sphalerite that were mined in the earlier underground operations in the Fairview Camp."

SURVEY PROCEDURE AND INSTRUMENTATION

Field work was carried out by Geo Teck Services Ltd. during the period May 2, 1982 to May 21, 1982. Personnel consisted of R.N. Wank, contractor and field supervisor, M. Kloss, H. Wholstenholm, and R. Till, field technicians. Geophysical survey results were reduced, plotted, and submitted to the company for interpretation.

Survey work was completed from a picketed east-west baseline established along the northern boundary of the Morning Star claim and through the Fairview claim. North-south lines were compassed and chained from the baseline at 150 meter line separation and 50 meter station interval from 15+00E to 15+40W.

The magnetometer survey was conducted with a Gem Systems proton precession magnetometer, serial number 1202. Readings were taken at 50 meter stations and all lines were 'looped' to the baseline so as to correct for diurnal variations in accordance with standard practice. The electromagnetic survey was carried out using a Phoenix UL-2 receiver, serial number 1061 and NPG, Jim Creek, Washington as the transmitting station. Readings were taken at 50 meter station intervals over the survey grid. Dip angle and field strength measurements were plotted in profile plot plan form as Figure 4. Geo Teck Services Ltd. survey procedures are attached on Appendix I.

DISCUSSION OF RESULTS

The VLF electromagnetic survey results, Figure 4, indicate several conductive zones traversing the claim group. The reconnaissance nature of the survey, with 50 meter station spacing, leaves the results of the survey open to topographical effects.

The main conductive zone, traversing east-west across the southern property area is associated with Reed Creek and, in part the Oliver Cable Vue Transmission line. This conductor shows strong cross-overs and some near coincident field strength results. Topographical effects due to the significant creek depression, particularly in the western area, and the transmission line must be considered as major contributing factors to this anomaly. The anomaly offset at line 3+00W, 12+75S is apparently associated with a tributary of Reed Creek in this area. The anomaly signature and field strength suggest that the E.M. results here may well be due to more than just topographic effects and follow-up detail work should be done to confirm the presence of a geological conductor.

A second near east-west trending conductive zone is indicated some 300 meters north of the main conductor.

This zone shows as a very weak, intermittent conductor and has been placed in the 'possible' category. Because of a potential significant strike length (line 9+00W, 9+00S to line 15+00E, 7+00S) the zone should be checked at much closer station spacing to confirm the presence of a conductive zone here.

A third weak conductor trends northeasterly from about Line 10+50W, 8+50S to Line 0+00, 0+75S. Although the continuity of this conductor is indefinite due to relatively wide line spacing, the shift in background readings indicates a possible geological contact with a more conductive rock unit to the north. Several magnetic deviations are also found along this conductive trend.

The weak conductive zone trending easterly from Line 15+40W, 2+30N to Line 10+50W, 0+70N may be associated with the creek in this area and may connect with an indicated conductive zone from Line 9+00N, 2+50N to Line 4+50W, 4+00N, also likely associated with a creek depression. Topographical effects are considered to a possible factor here and more detail work should be carried out to confirm and delineate the zone.

Several more weak conductors, somewhat associated with magnetic anomalies, are located on the northeastern

Fairview claim area. More detailed survey work is required here before comment can be made on the interconnections and the continuity of these conductors.

A weak, intermittent conductive zone is located on the northeast corner of the Morning Star claim (Line 7+50E, 1+50S to Line 12+00E, 1+50S). The zone appears to border some magnetic anomalies including a significant magnetic low at Line 10+50E, 0+50S and may extend southeasterly to near an old Mine Shaft on Line 15+00E. Detail electromagnetic work should be carried out here to establish the continuity of the zone and to eliminate any possible topographic effects.

The results of the magnetometer survey are presented in isomagnetic plan form with a magnetic datum base of 50,000 gammas as Figure 5 and magnetic field data is presented on Figure 6.

Magnetic relief over the survey area is generally less than 300 gammas but some individual readings give a total magnetic relief of over 1000 gammas. The results do not clearly distinguish a contact between the metasediments and the intrusive unit assumed to underlie the Morning Star and part of the Fairview claim.

A weak magnetic gradient, rising to the east, is found in the south-central claims area and a higher background, variable magnetic zone underlies the northeastern quarter of the Fairview claim. The higher background magnetics in the eastern claims areas are believed to indicate the Fairview granodiorite rocks.

Several magnetic 'dipolar' anomalies and magnetic 'lows' appear to be associated with indicated VLF electromagnetic conductors. Although most of these are single station or single line anomalies, likely due to course grid spacing, and their cause is not readily apparent, these areas warrant further work to better define the anomalies and explain their geological basis. Of particular interest are several magnetic variations which appear to be associated with a weak electromagnetic conductor (possible contact) trending northeasterly from Line 10+50N, 8+50S to Line 0+00, 1+25S.

A magnetic gradient and 'high' in the area of two old adits (3+25W, 8+10N and 5+75W, 9+50N) warrants detail survey work to establish a magnetic relationship with local geology in that area. Results could then be used to further evaluate detail work over other indicated areas of interest.

A magnetic 'low' of over 500 gammas, located in the central area of the May Queen claim (Line 10+50E, 0+50S), appears to flank a probable conductor in this area. Detail work is required to further define an exploration target in this area. The magnetic 'low' near Reed Creek (Line 9+00E, 13+50S), although a single reading anomaly, warrants further work to explain the cause of the magnetic results.

CONCLUSIONS

The reconnaissance geophysical program conducted by Geo Teck Services Ltd. has indicated a number of magnetic and electromagnetic target areas that warrant follow-up work. The zones outlined are attributed to a geological contact and possible shear zones. Since the sheared Kobau metasediments are considered to be favorable host rocks for gold bearing quartz-filled vein zones, all outlined conductive zones are considered important within this environment. Some detail geophysical work, geological mapping, and geochemical soil sampling will be required before comments regarding the mineral potential of the indicated targets can be ascertained.

RECOMMENDATIONS

Each of the indicated target areas should be checked with a small detail magnetic and VLF electromagnetic grid survey to confirm and delineate the targets. A few detail survey lines would clearly establish the nature of the indicated conductive zones and the extent to which the area should be tested.

A program of geochemical soil sampling and geological mapping is also recommended to establish the mineral potential of the defined geophysical targets. Should results of this program show the ground to have mineral potential, it is proposed that an induced polarization/resistivity survey be carried out in order to further define the targets for diamond drill testing.

Respectfully submitted,
Strato Geological Engineering Ltd.



Ralph J. Englund, B.Sc.

Geophysicist.

February 14, 1983.

REFERENCES

- (1) Report on the Black Diamond, Homestake, May Queen Fr., Dalton Fr. Mineral Claims, Fairview Mining Camp, Osoyoos Mining Division (with Addendum dated July 10, 1982) for Paymaster Mines Inc. by Donald W. Tully, P. Eng. dated June 1, 1979.

- (2) Geological Survey of Canada Memoir 179, pp. 1-10 and Map 341A.

TIME - COST DISTRIBUTION

The geophysical survey was conducted over the Fairview-Morning Star claim group by Geo Teck Services Ltd. during the period May 2 to May 21, 1982.

Drafting, interpretation and report compilation were completed by Strato Geological Engineering Ltd.

A listing of personnel and distribution of costs is as follows:

PersonnelStrato Geological Engineering Ltd.

R. J. Englund, B.Sc.	Geophysical interpretation and Report.
----------------------	--

S. Gokool	Drafting, etc.
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Geo Teck Services Ltd.

R. N. Wank	Contractor, Field Supervisor
M. Kloss	Field Technician
H. Wholstenholm	Field Technician
R. Till	Field Technician

Cost DistributionStrato Geological Engineering Ltd.

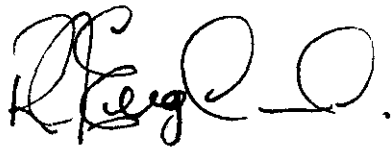
Drafting, map compilation etc.	\$ 1,890.00
Map reduction, copying, typing, etc.	354.78
Interpretation and report	1,200.00

Geo Teck Services Ltd.

As per invoice dated Jan. 10, 1983 (Appendix II)	\$ 15,500.00
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Total	\$ <u>18,944.78</u>
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Signed



 Strato Geological Engineering Ltd.

CERTIFICATE

I, RALPH J. ENGLUND, of the City of Vancouver, in the Province of British Columbia, hereby certify as follows :

- (1) I am a practising geophysicist with offices at 103 - 709 Dunsmuir Street, Vancouver, B.C., V6C 1M9.
- (2) I am a graduate of the University of British Columbia where I obtained my Bachelor of Science (Physics) in 1971.
- (3) I am a member in good standing of the British Columbia Geophysical Society.
- (4) I have been engaged in the study, teaching, and practice of exploration geophysics continuously for nine years. I have worked as a geophysical consultant on numerous projects in Western North America since 1972.
- (5) This report is based upon geophysical field maps submitted to me, a personal knowledge of the area, and from personal communications. Only the report and interpretation were done under my direct supervision.

Dated at Vancouver, British Columbia,
this 14th day of February, 1983.



Ralph J. Englund, B.Sc.
Geophysicist.

SURVEY PROCEDURES

MORNING STAR and
FAIRVIEW CLAIMS - 24 Units

Paymaster Resources Ltd
Osoyoos Mining Div., Oliver, B.C.

FIELD PERSONNEL - R.N. Wank (Contractor - Watson Lake, Y.T.)
M. Kloss - Field Technicien
H. Wholstenholm - Field Technicien
R. Till - Field Technicien

PERIOD OF SURVEY - May 2, 1982 to May 21, 1982.

The contract consisted of completing a survey grid, magnetometer survey and Electromagnetic survey.

The survey was completed with compass and hip chains with a base line running East West through the center of the Fairview claims and on the Northern Boundary of the Morning Star claim group. Lines were then run North South every 150 meters from station 15+00 East to 15+40 West. Lines on the Southern portion of Fairview and all of Morning Star ran from 0+00 to 15+00 South (except where river and canyon prohibited). Lines running North ran from 0+00 to 10+00 North.

Every 50 meter station along base line was marked with a picket. Every 50 meter station along survey lines was marked with blue and orange ribbons.

The Magnetometer survey was completed with the use of the Gem Systems Proton magnetometer serial #1202. Readings were taken every 50 meters with base stations at the intersection of the base line and survey lines.

The Electromagnetic survey was completed with the use of the Phoenix UL-2 Unit, serial #1061.

Seattle Washington (186 KHZ) and Cutler Main (17.85 HZ) were used as transmitting stations. Cutler Main was used only as a cheat to Seattle.

Readings were taken every 50 meters along survey grid.

The result of the surveys were then plotted and shipped to Vancouver.



ROBERT WANK
GEO TECK SERVICES LTD

January 10, 1983.

Paymaster Resources,
811 - 543 Granville St.,
Vancouver, B.C.
V6C 1X8

Dear Verna,

You will find enclosed the cost break down for Paymaster Resources' Magnetometer and E.M. Surveys on Morning Star and Fairview claims as follow:

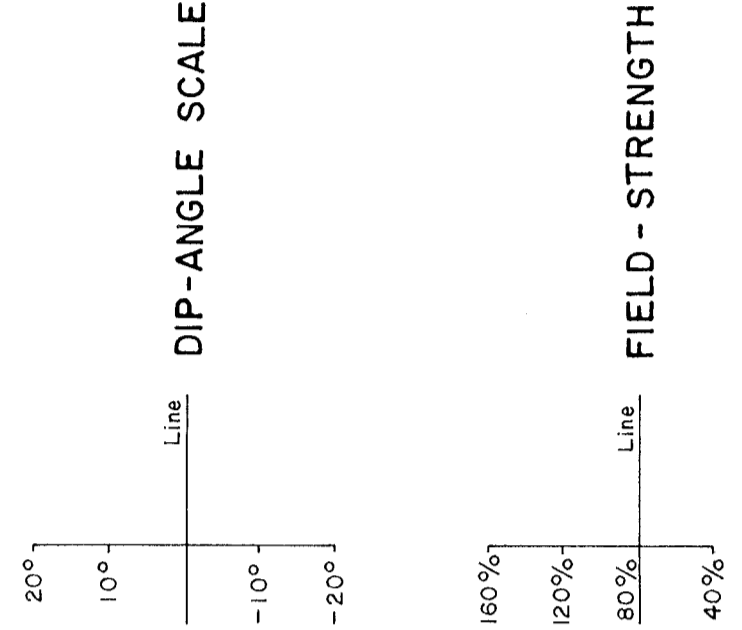
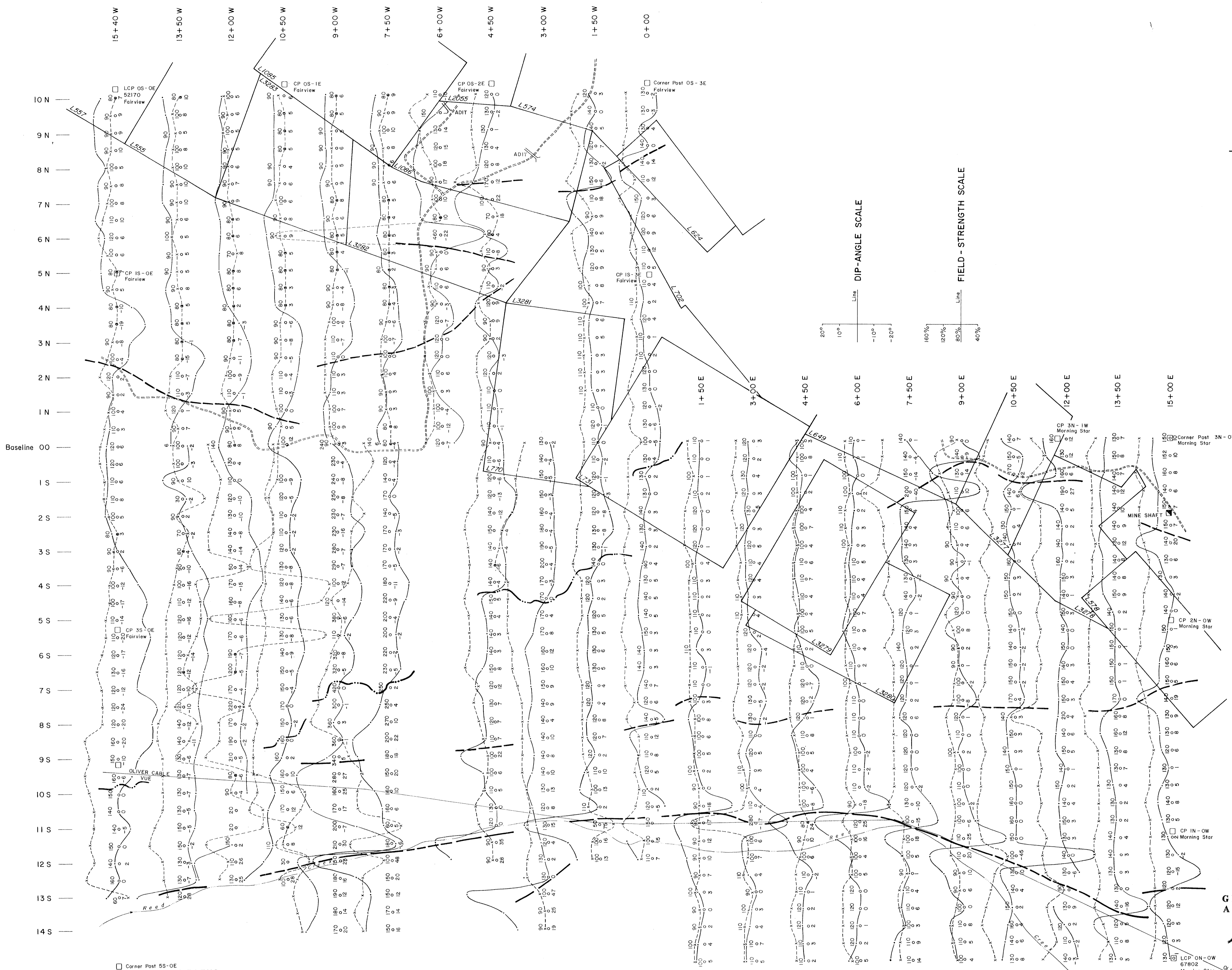
Labour	\$ 7,875.00
Air fare	1,270.00
Car	1,200.00
Accomodation	2,800.00
Equipment Rental	1,300.00
Misc.	600.00

for a total cost of \$15,045.00, and a total amount owed of \$15,500.00 (including drafting cost).

Yours Truly,



Robert Wank,
Geo Teck Services Ltd,
Box 172,
Watson Lake, Y.T.
Y0A 1C0



Legend symbols for Corner Post 05-0E Fairview, Flagged station (compass & chain survey), Claim post, Bush road, Creek, Dip angle, and Field strength.

NOTE:
 - Instrument : Phoenix UL-2 Unit, Serial No. 1061
 — Conductor
 - - - - - Very weak conductor
 - · - · - · Possible geological contact

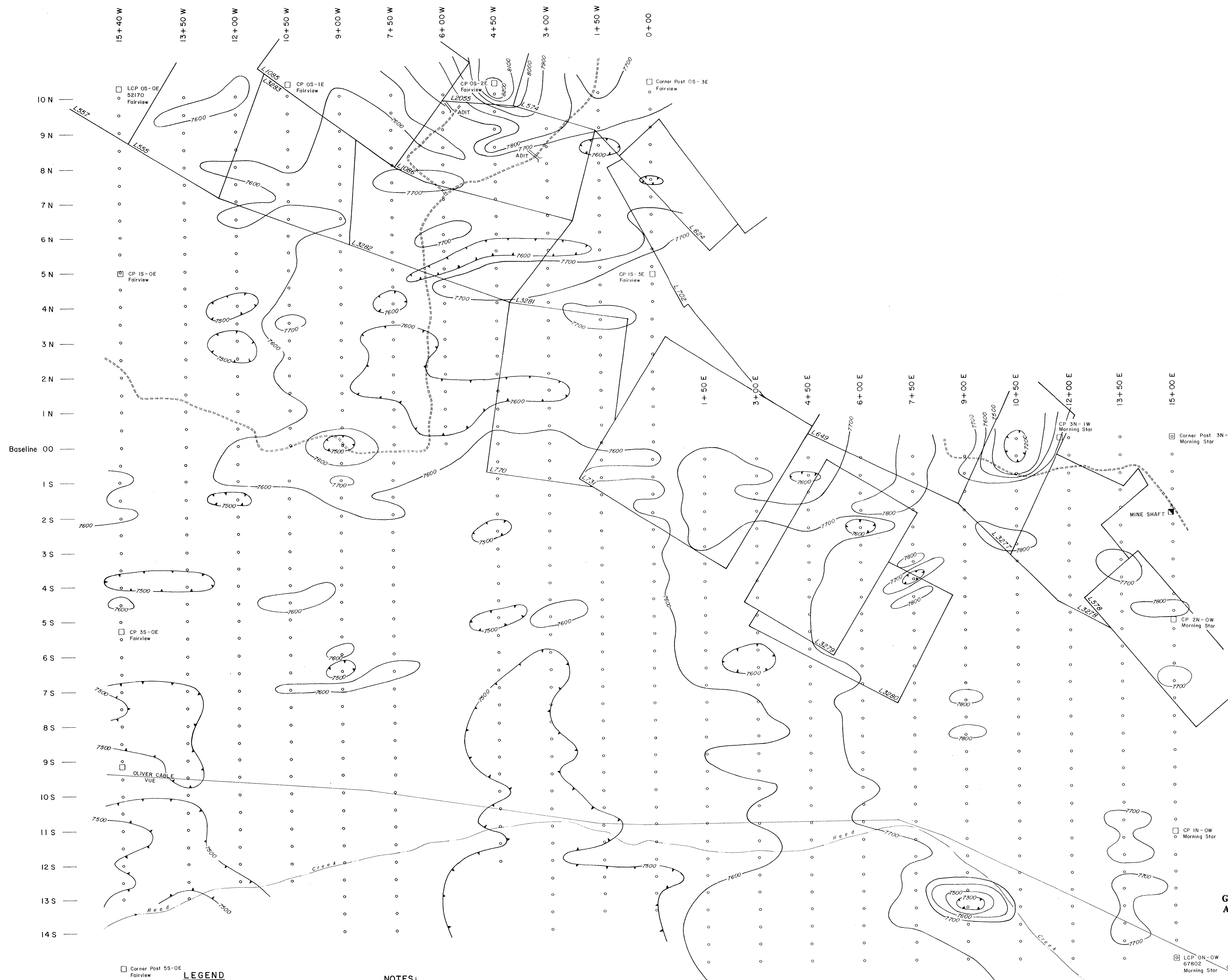
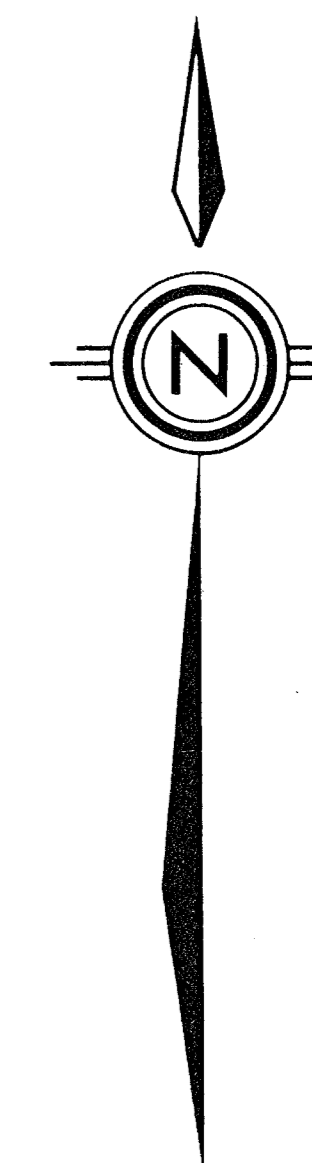
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 FIGURE 4

PAYMASTER RESOURCES LTD.
 MORNING STAR & FAIRVIEW CLAIM GROUPS
 VLF-ELECTROMAGNETIC SURVEY
 OSOYOOS MINING DIVISION
 OLIVER, B.C.
 SCALE 1:5000
 100 0 100 200 300 400 m
 DRAWN BY: SG FEB. 1983

To accompany a report by R.J. ENGLUND
 Dated FEB. 14, 1983
 All locations subject to survey
 Field Work Period : APRIL 24 - MAY 7, 1981
 Field Work and map compilation by : GEO TECK SERVICES LTD.

Drawn from information believed to be reliable but not guaranteed



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FIGURE 5

Corner Post 5S-0E
Fairview
LEGEND

- Flagged station (compass & chain survey)
- Claim post
- ==== Bush road
- Creek

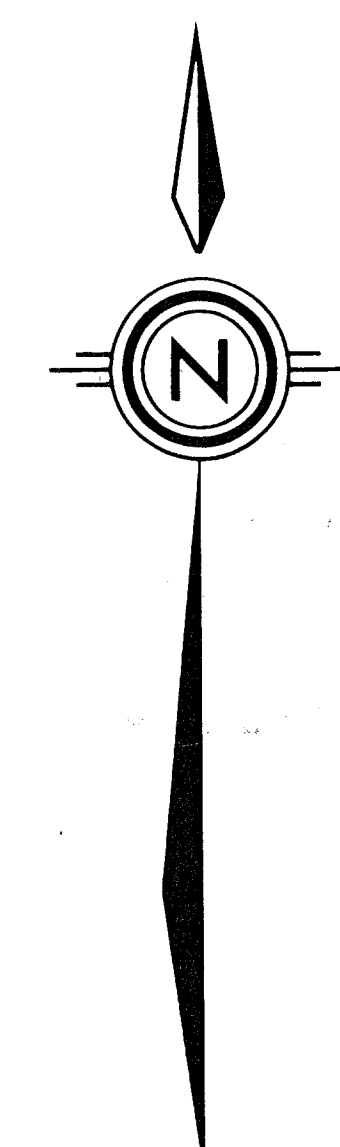
NOTES:

- Total field magnetic survey - Datum 50,000 gammas
- Instrument: Gem Systems Proton Precession Magnetometer, Serial No. I202
- Contour interval 100 gammas

PAYMASTER RESOURCES LTD.
MORNING STAR & FAIRVIEW CLAIM GROUPS
MAGNETOMETER SURVEY CONTOUR MAP
OSOYOOS MINING DIVISION OLIVER, B.C.
SCALE 1 : 5000 100 0 100 200 300 400 m
DRAWN BY: S.G. FEB. 1983

To accompany a report by R.J. ENGLUND
 Dated FEB 14, 1983
 All locations subject to survey
 Field Work Period: APRIL 24 - MAY 7, 1981
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Drawn from information believed to be reliable but not guaranteed



Legend symbols:
 □ Corner Post 5S-0E Fairview
 ○ Flagged station (compass & chain survey)
 □ Claim post
 ===== Bush road
 → Creek

NOTES:
 - Total field magnetic survey - Datum 50,000 gammas
 - Instrument: Gem Systems Proton Precession Magnetometer, Serial No. I202

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 FIGURE 6

PAYMASTER RESOURCES LTD.

MORNING STAR & FAIRVIEW CLAIM GROUPS

MAGNETOMETER SURVEY
 DATA MAP

OSOYOOS MINING DIVISION
 OLIVER, B.C.

SCALE 1:5000
 100 0 100 200 300 400 m

DRAWN BY: S.G. FEB. 1983

To accompany a report by R. J. ENGLUND
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