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ECONOMIC GEOLOGY OF ANGUS LAKE PLACER CLAIMS

PLACER LEASES 10146, 10147, 10148, 11013, 10012.

CARIBOO MINING DIVISION P93G/IE

53° 50' 122° 01'

Owner of Leases: 10146 & 10147
10148 & 11013 M.A. Roed
10012

Operator: Cottonwood 83 Syndicate

Consultant: Foxview Management Ltd.

Author: Murray A. Roed, Ph.D., P. Eng.

Date: June 15, 1984

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

12,544

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1.0 INTRODUCTION

This report summarizes the results of geological exploration, mapping and prospecting on Placer Leases 10146, 10147, 10148, 11013 and 10012 in the Caribou Mining District.

1.1 Location

The leases cover an area of 2.5km² and are located at an elevation of 950 metres on a broad rolling terrace on the southern slope of Lightning Creek Valley (Figure 1). Access to the claims is by Highway 26 from Quesnel to the 1300 Road (the Swift River Forestry Road). At 1306 there is a trail that connects to Angus Lake. The distance from Quesnel is approximately 40 km.

Apart from open organic terrain, the property carries an open pine youthful forest in the north and a more mature mixed conifer forest in the southern part of the leases.

Two lakes occur on the property, Angus Lake in the east and another in the west. Lake Creek connects the two lakes and joins Sovereign Creek to the west.

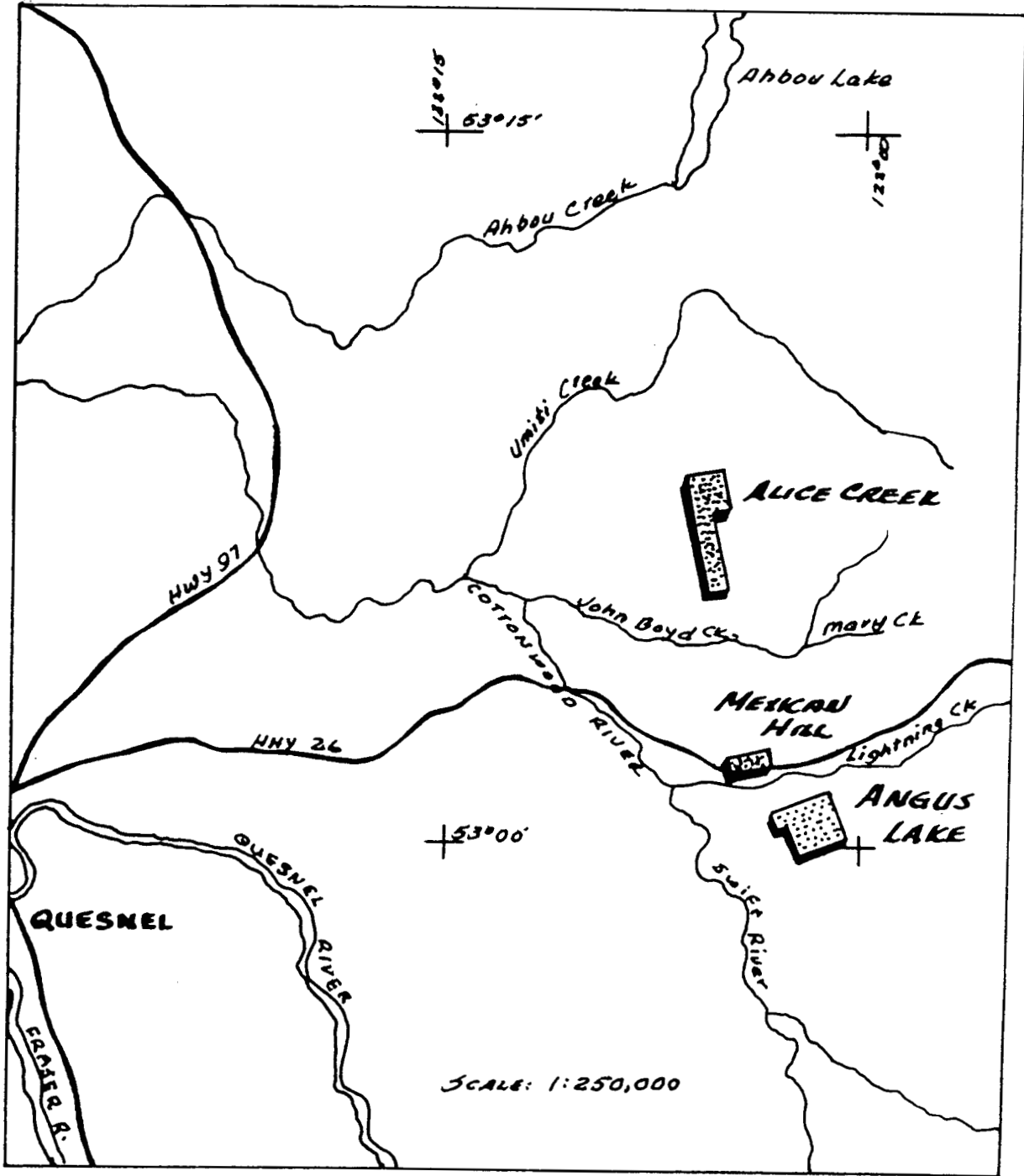


FIGURE 1: LOCATION MAP

COTTONWOOD B3 PLACER LEASES

1.2 Mining History

Mining has not been carried on except for hand workings along Lake Creek some time ago. A habitable cabin is situated on the north shore of Angus Lake.

Numerous placer gold deposits occur in the vicinity of the leases. Of these, three are most significant (Figure 2).

The largest is Strategic Mineral's deposit in Lightning Creek valley directly to the north of the property. This operation is also known as Handover Mines owned by J. Hanley. During 1982 and 1983 the property was in production at a scale of 1000 to 2000 yards per day. The gold is coarse with a small percentage of nuggets. Grades for 1983 are unknown but 60 ounces per clean-up at 1000 yd/day was common in 1982 operations. The auriferous material is an Interglacial boulder gravel that occupies a buried glacial channel of Lightning Creek. Source of the gravel, and the gold, is to the south in the vicinity of the Angus Lake lease block.

Another active operation is McGuire's in the valley of Lightning Creek 1.5 km upstream of the Strategic workings. The auriferous gravel there is the same as Strategic but the overall grade appears higher and nugget gold is more numerous. The source of the gravel and the gold is to the south.

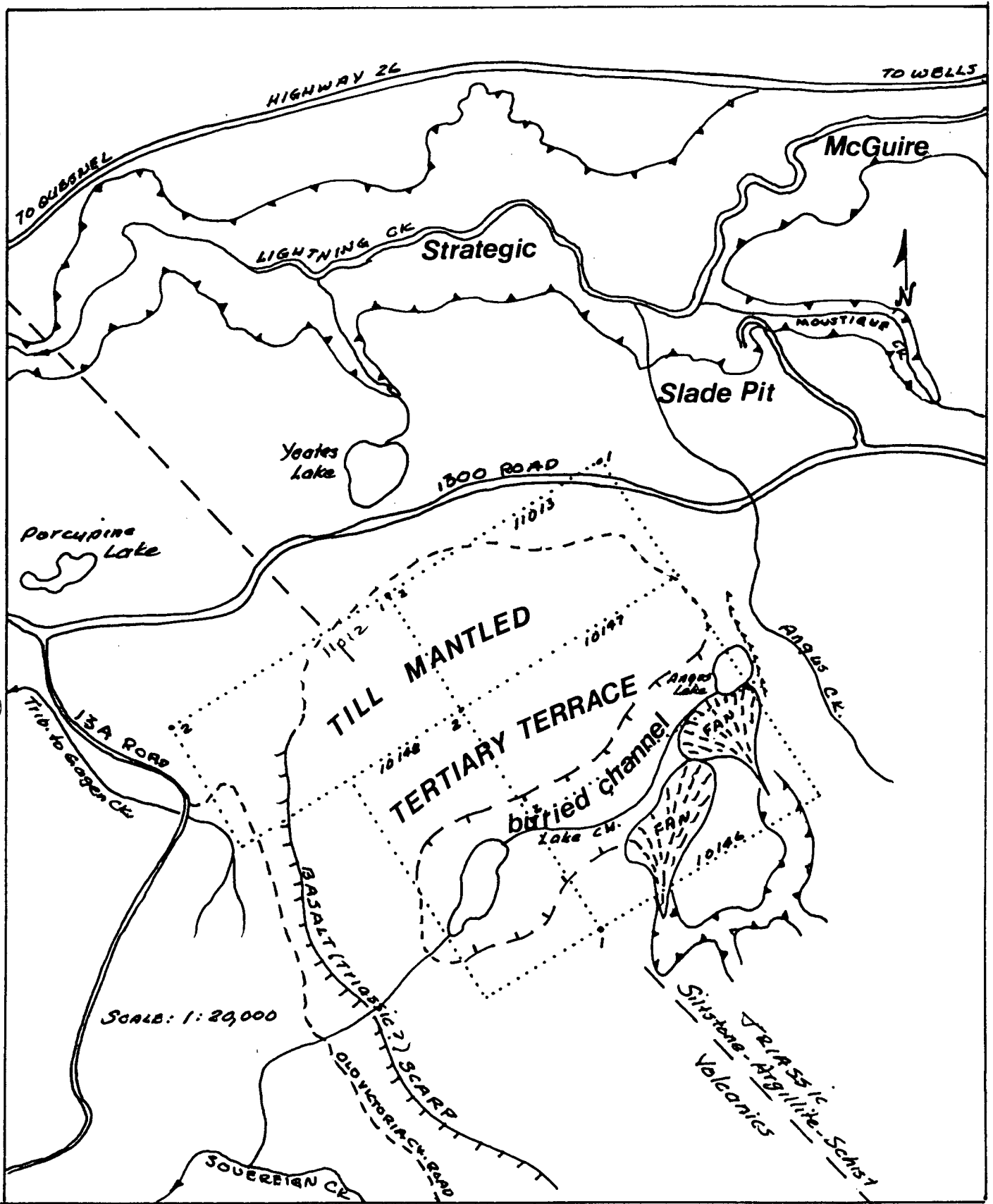


FIGURE 2. BEDROCK & TERRAIN MAP
 ANGUS LAKE PROPERTY
 Co Honwood 83

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The Slade pit is situated on a rock bench at the mouth of Moustique Creek. It was a massive hydraulic operation in the late 1930's gathering water from a complex set of flumes that extended to Lake Creek on the present property. The pay zone occurs at the base of a 40 m sequence of glacial gravel, silt and till. Most of the gold was in the lower 1 m and on bedrock. Production is estimated at over 10,000 ounces. Some testing was conducted during 1983 and the pit is a favorite sniping locality.

Other nearby placer gold occurrences include Smokey's (W. Bailley) pit, numerous deposits on Lightning Creek terraces and in Sovereign Creek. Also, Angus Creek has been worked in its lower reaches and Yeates Creek is being explored presently for a Moustique type occurrence. Gold occurs in a number of places along tributaries to Gagen Creek to the west of the Angus Lake property.

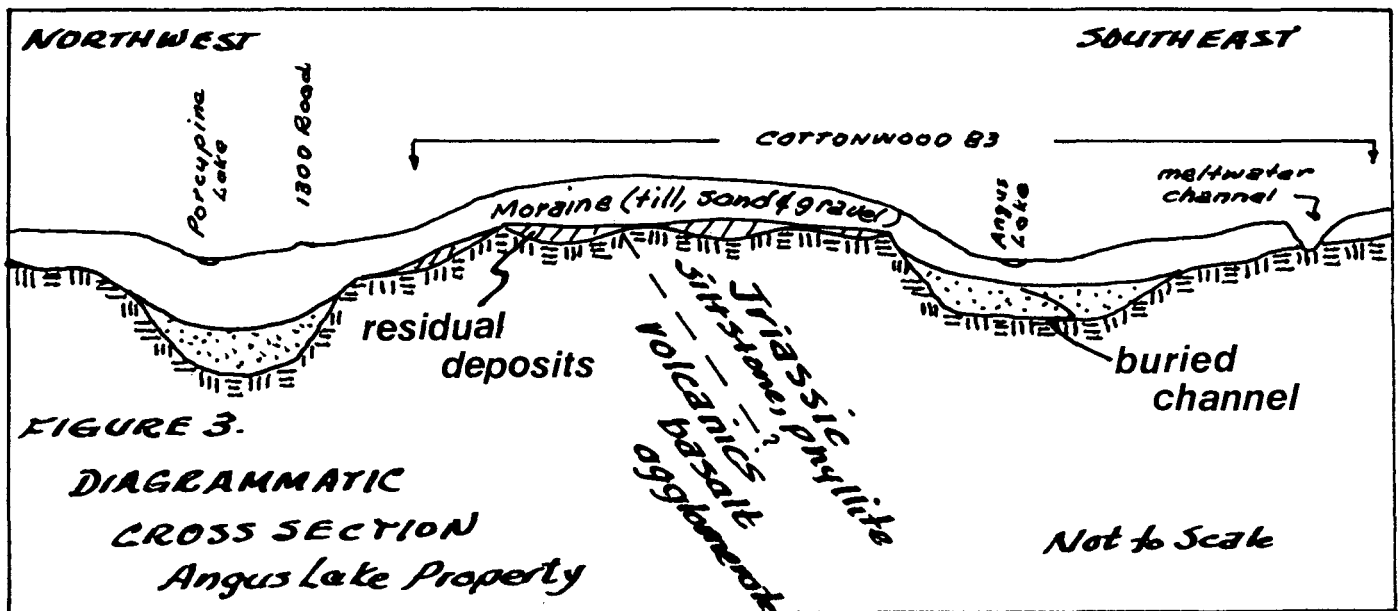
2.0 EXPLORATION IN 1983

Detailed air photo interpretation, field mapping of surficial and bedrock deposits, soil sampling, panning, and reconnaissance of adjacent terrain were all conducted in August and September, 1983.

The geology of the property is shown in Figure 2. Claim posts were located with use of air photos.

2.1 Surficial Geology

The lease block straddles an ancient erosional surface of Tertiary origin mantled with a layer of till, outwash sand and gravel and organic deposits. The northern part of the property is believed to be underlain by an auriferous zone that escaped erosion from north moving glaciers. The surface material consists of till and patches of sand and gravel. Surface gravel here carries gold in many spots, and a well defined bench in the most northwesterly lease is suspected to be gold bearing and part of a buried channel (Figure 3).



A prominent valley occurs in the Lake Creek depression. This is believed to be a very early channel of Lightning Creek which eroded into an auriferous weathered bedrock surface of Tertiary age. Gravels along Lake Creek are auriferous and have been mined in the past.

Two gravel fans are located in the southeastern part of the property. These are from 3 to 10 m thick and originated from deep incision of two meltwater channels that flowed north. Both of the glacial fans are auriferous and are right at the surface.

2.2 Bedrock Geology

No rock outcrop was found on the property. However, basalt believed to be the upper part of the Triassic, occurs in a waterfall on Lake Creek. Volcanic agglomerate, breccia and flows occur along strike (Northwest) in the Lightning Creek Valley. These appear to be underlain by siltstone, phyllite and some schist of Triassic age.

2.3 Mineralization

Placer gold occurs in most gravels on the property. Of initial interest would be the glacial fans in the southeastern part of the property, and the terrace in the northwest part of the lease block.

Tertiary, preglacial and interglacial deposits may occur on the old erosional surface in the northern part. Of particular interest is the possibility of Tertiary residual deposits that may have escaped erosion along the north sloping portions of the property.

Potentially rich placer gold may occur in the well defined depression of Lake Creek. Depth of overburden here is not known, but this channel may be of substantial economic interest.

3.0 EXPLORATION OBJECTIVES

Four exploration objectives have been delineated on the property. These consist of:

- 1) Residual deposits on the north slope.
- 2) Terrace deposits adjacent to creek in the northwest part.
- 3) Buried channel deposits along Lake Creek.
- 4) Surface gravels in the glacial fans.

The glacial fans are amenable to a back-hoe test program and appear to offer the most economical location for testing and initial mining.

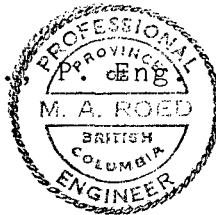
The remaining part of the property should be subject to an extensive seismic refraction survey, in combination with a back-hoe test program. Selected test pits should be dug to a depth of 15 metres by benching down with a crawler tractor.

Test drilling of buried deposits should also be budgeted in the event back-hoe test pits prove to be of insufficient depth.

Access trails will be necessary and the entire property requires cut lines of a grid of 200m centers for the seismic survey.

A suitable campsite exists along Victoria Creek Road which traverses part of the lease block, and another is located on the northern shore of Angus Lake.

Murray A. Roed, Ph.D.



June 15, 1984

STATEMENT OF EXPENDITURES

Angus Lake Placer Lease Block (5 leases)

July 20-22, 1983	Robert Wilson 3 days @ \$50/day	\$180.00
July 20-22, 1983	Geoffrey Turcotte 3 days @ \$40/day	120.00
July 20-22, 1983	Murray A. Roed, Ph.D., P. Eng. 3 days @ \$400.00	1,200.00
Jan 24, 1984	1 day @ \$400.00	400.00
	9 man days food & accomodation @ \$50.00/day	450.00
	3 days truck rental @ \$50.00/day	<u>150.00</u>
	TOTAL	\$2,500.00

Foxview Management Ltd.

per:

Murray A. Roed
Murray A. Roed, Ph.D., P. Eng.

