

ASSESSMENT REPORT

A GEOPHYSICAL REPORT
ON
CHINA 3 CLAIM
Horsefly, B.C.

Cariboo Mining Division
93A/6W

Co-ordinates

52°18' North Latitude
~~120°20'~~ West Longitude

121°27' Owner

J.R. Billingsley
303 - 535 Howe Street
Vancouver, B.C.
V6C 2C2

Operator

J.R. Billingsley

Consultant

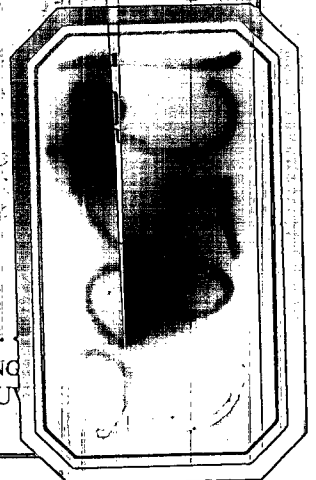
Harold M. Jones, P.Eng.
721-602 West Hastings Street,
Vancouver, B.C.

Author

Harold M. Jones, P.Eng.

Date: July 5, 1984

HAROLD M.
CONSULTING
VANCOU



**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

12,582

ASSESSMENT REPORT

**A GEOPHYSICAL REPORT
ON
CHINA 3 CLAIM
Horsefly, B.C.**

**Cariboo Mining Division
93A/6W**

Co-ordinates

**52°18' North Latitude
~~120°30'~~ West Longitude
121°27' Owner**

**J.R. Billingsley
303 - 535 Howe Street
Vancouver, B.C.
V6C 2C2**

Operator

J.R. Billingsley

Consultant

**Harold M. Jones, P.Eng.
721-602 West Hastings Street,
Vancouver, B.C.**

Author

Harold M. Jones, P.Eng.

Date: July 5, 1984

TABLE OF CONTENTS

	PAGE
SUMMARY	1
INTRODUCTION	2
Location and Access.....	2
Topography & Vegetation.....	2
Property.....	3
History.....	3
GEOLOGY	4
General Geology.....	4
Local Geology.....	5
MAGNETOMETER SURVEY	6
RESULTS	7
CONCLUSION	8
RECOMMENDATION	8
REFERENCES	9
CERTIFICATE	10

APPENDIX I - STATEMENT OF COSTS

LIST OF ILLUSTRATIONS

	FOLLOWING
Figure 1 Location Map	2
Figure 2 Claim Map	2
Figure 3 General Geology	4
Figure 4 Magnetomter Map	In Pocket

SUMMARY

Between June 24 - June 29, 1984 a magnetometer survey was conducted on the 20 unit China 3 claim, located in the Cariboo Mining Division, near Horsefly, B.C., 52 km northeast of Williams Lake. The claim is owned by J.R. Billingsley of Vancouver, B.C.

The work was conducted by a two-man crew consisting of one consulting geologist and one geologist-field assistant. They laid out a grid totalling 17.6 line km and surveyed it using a Scintrex MF-2 fluxgate-type magnetometer.

Results of the survey indicate that the claim is probably underlain by two distinct volcanic units, each having a slightly different magnetic background.

A weak northwest-trending magnetic anomaly was located in the center of the claim which coincides with the valley bottom. It may reflect an intrusive body lying along a northwest-striking fault structure. Additional work is recommended to search for mineralization related to this anomaly. Geochemical soil and VLF-EM surveys are recommended.

INTRODUCTION

At the request of J.R. Billingsley, a magnetometer survey was conducted on the China 3 claim between June 24 - June 29, 1984. This was recommended in a report on the property by the writer dated April 18, 1984. The work consisted of laying out a grid, then using it for a magnetometer survey.

Very little outcrop is present on the claim. Where seen, it was examined and its location noted.

This report documents the above field work.

Location and Access

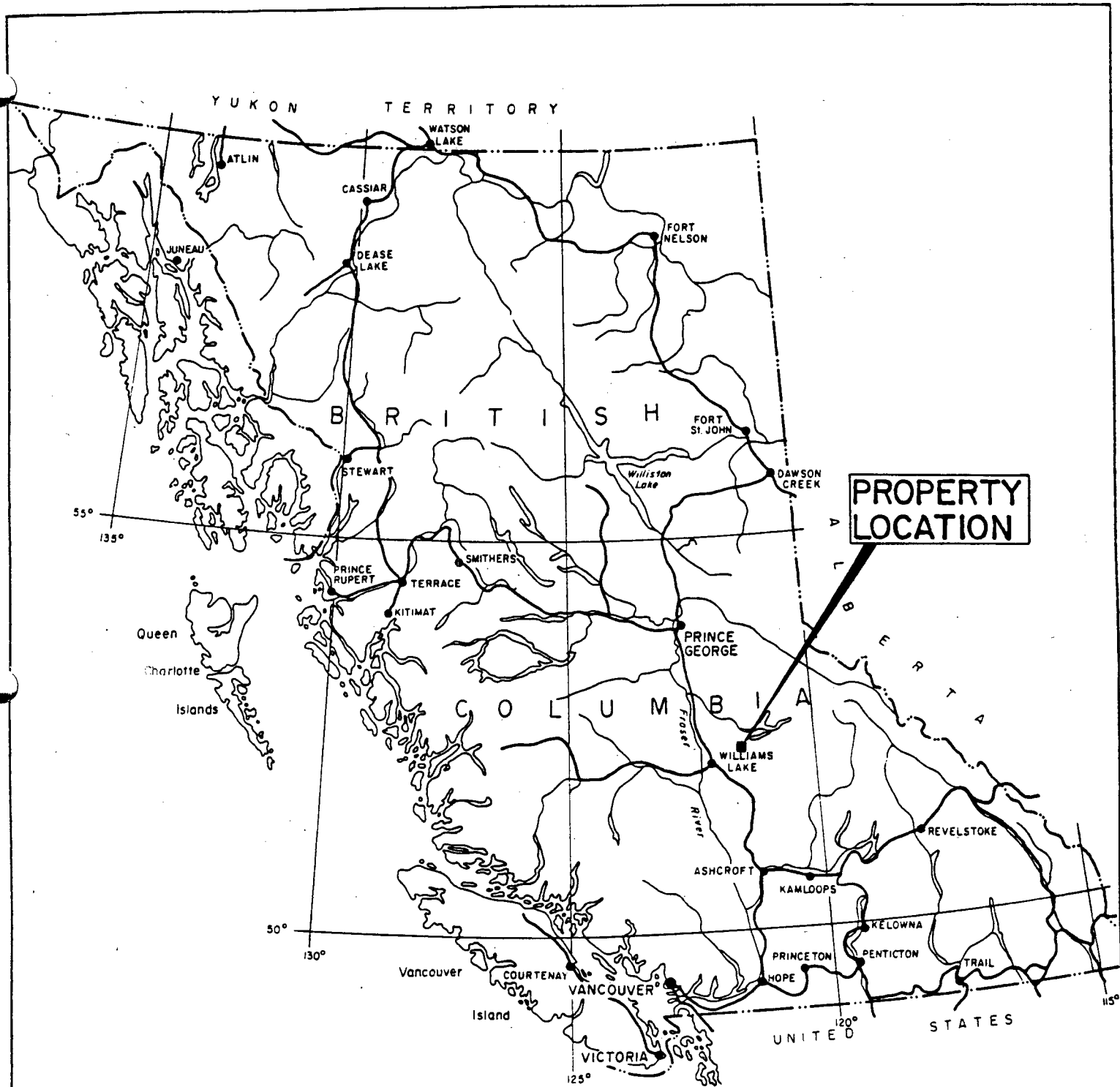
52° 18' North Latitude) Co-ordinates at center
120° 30' West Longitude) of claim

The China 3 claim is located in the Cariboo Mining Division 52 km northeast of Williams Lake. The claim lies slightly west of the community of Horsefly. (Figures 1 and 2)

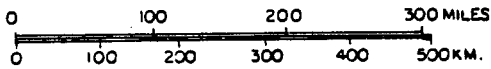
The claim is readily accessible by the road to Horsefly, which originates from Highway 97, 15 km south of Williams Lake at 150 Mile House. From this latter town it is 50 km by mostly paved road to the property. This road passes through the property 1 km before it enters Horsefly. An old logging road follows the common claim boundary between China 2 and 3 claims, providing access to the southern part of the property.

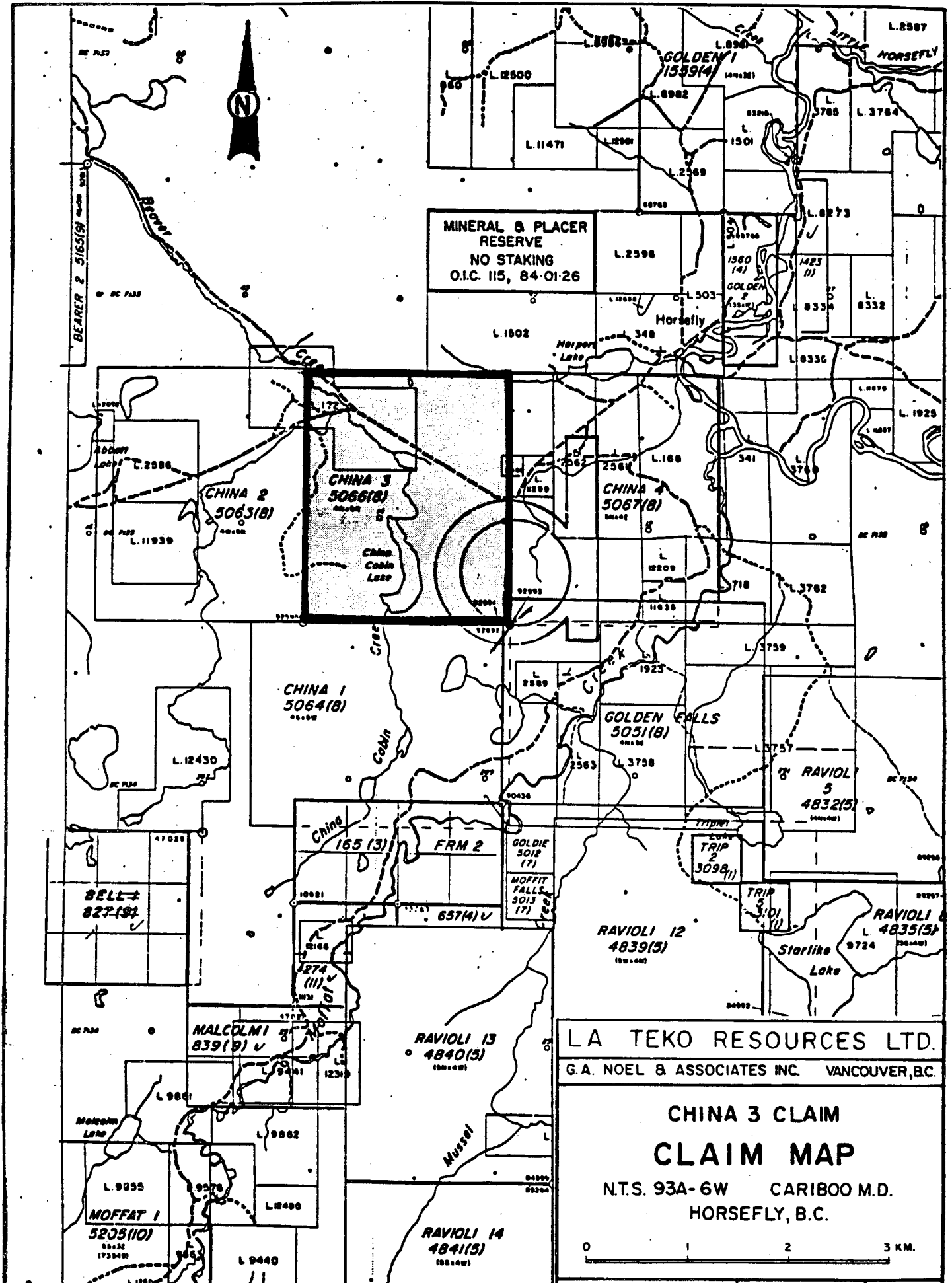
Topography & Vegetation

The claim is situated in gently rolling terrain typical of the



LA TEKO RESOURCES LTD.		
G. A. NOEL & ASSOCIATES INC.		VANCOUVER, B.C.
CHINA 3 CLAIM LOCATION MAP		
CARIBOO M.D. - HORSEFLY, B.C.		
SCALE: AS SHOWN	JULY, 1984	FIG. 1
H. M. JONES		





MINERAL & PLACER RESERVE
NO STAKING
O.I.C. 115, 84-01-26

LA TEKO RESOURCES LTD.
G.A. NOEL & ASSOCIATES INC. VANCOUVER, B.C.

**CHINA 3 CLAIM
CLAIM MAP**

N.T.S. 93A-6W CARIBOO M.D.
HORSEFLY, B.C.

0 1 2 3 KM.

SCALE 1:50,000

H.M. JONES

JULY 1984

FIG. 2

Interior Plateau of Southern British Columbia. Elevations on China 3 range from 775 m to 875 m. The claim is well forested with pine, fir and spruce. Selective logging was conducted on the claim at various times in the past.

Swampy areas are numerous throughout the claim. A large meadow, immediately south of the highway, is presently very wet and marsh-like. Traversing was restricted in some of the above areas.

Property

The property consists of one claim. It may be described as follows:

Claim Name	Record No.	No. of Units	Date of Record
China 3	5066(8)	20	16 August 1983

The claim is owned by: J.R. Billingsley
303-535 Howe Street
Vancouver, B.C.

History

The claim is located within an area which has a long mining history. Placer gold was discovered in the early 1860's at and near the present community of Horsefly. The main occurrences were Wards Horsefly mine, Hobson's Horsefly mine and the Miocene mine, the first two of which were considered to be re-concentrations of older placers in Miocene gravels.

In 1902 the Mogul claim (now included within the FRM 2 claim), located 2 km south of the China 3 claim, was located to explore native copper in lava flows. It was considered at that time that free gold might possibly occur in these mineralized lavas along with copper. This same ground was tested by El Paso Mining and Milling Company in 1974, who drilled four shallow diamond drill holes exploring for copper in the lava flows. Two of these holes passed through weakly mineralized basalt into a paleostream channel. A third hole was collared in the channel. While recovery was poor, one sludge sample from the quartz-rich paleochannel returned an assay of 405 ppb gold.

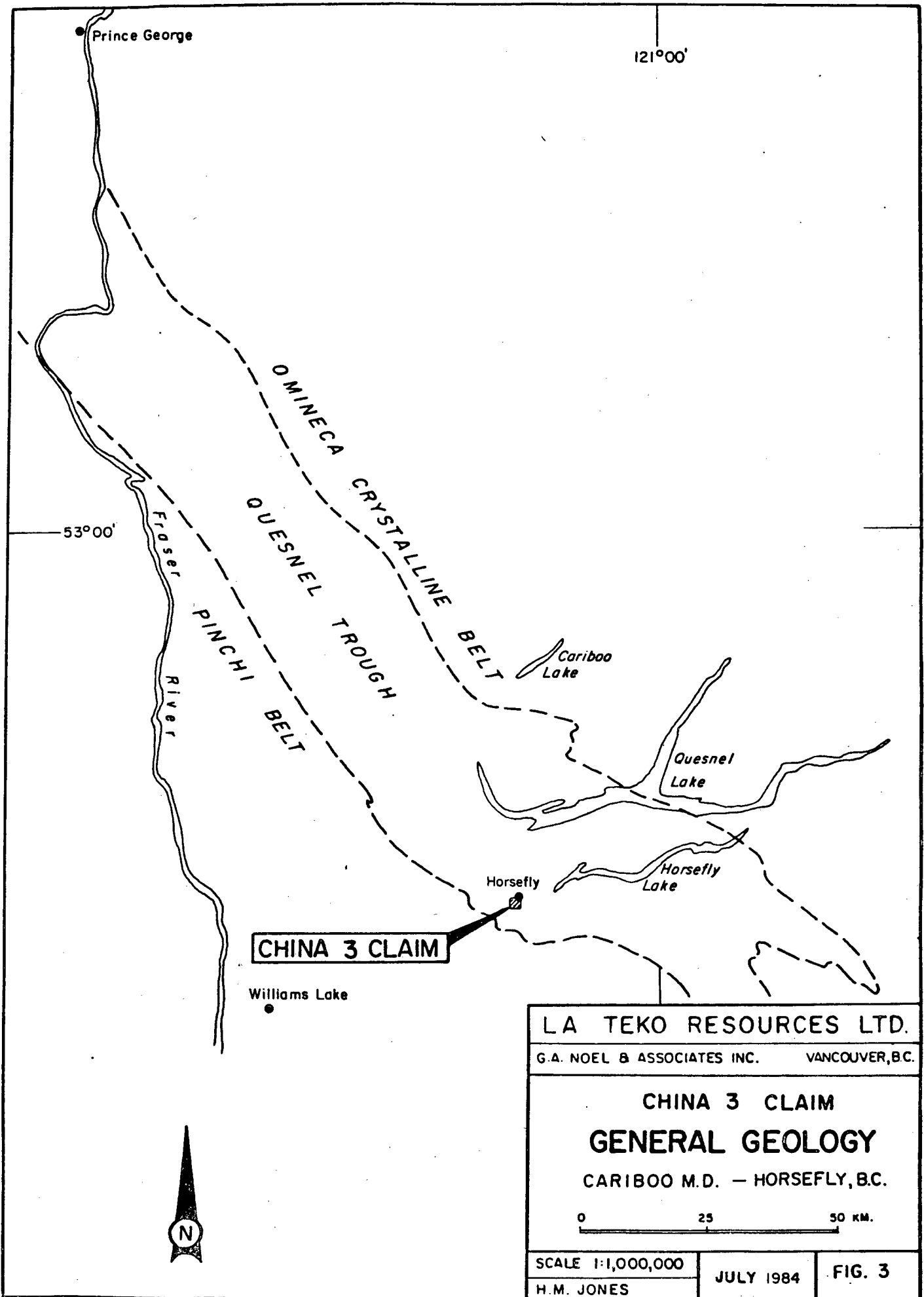
During the 1950's to early 1970's the general area was actively explored for copper and other base metals. A number of properties were located and explored in detail. The Gibraltar mine and the Cariboo-Bell deposit, located 57 km and 27 km respectively northwest of Horsefly, were assessed during this time.

With the increase in gold prices, the area once again is being actively explored for gold. This work resulted in the discovery of Dome Mine's QR deposit and Eureka Resources' Eureka deposit. E & B Explorations have re-assessed the Cariboo-Bell deposit in light of its low grade gold content. Placer Development Ltd. are currently exploring the Megabuck gold prospect 8 km southeast of the China 3 claim.

GEOLOGY

General Geology

The claim is located within the Quesnel Trough, a northwesterly trending fault bounded structure about 35 km wide. It consists of a thick sequence of mainly Upper Triassic and Lower Jurassic volcanoclastic and sedimentary rocks flanked on the east by Proterozoic and Paleozoic strata of the Omineca Geanticline and on the west by Upper Paleozoic rocks of the Pinchi Geanticline. The west



Prince George

121°00'

53°00'

Fraser
River

OMINECA CRYSTALLINE BELT

QUESNEL TROUGH

PINCHI BELT

Cariboo
Lake

Quesnel
Lake

Horsefly
Lake

Horsefly

CHINA 3 CLAIM

Williams Lake

LA TEKO RESOURCES LTD.

G.A. NOEL & ASSOCIATES INC. VANCOUVER, B.C.

CHINA 3 CLAIM
GENERAL GEOLOGY
CARIBOO M.D. — HORSEFLY, B.C.

0 25 50 KM.

SCALE 1:1,000,000

JULY 1984

FIG. 3

H.M. JONES



side of the Quesnel Trough, especially to the west and south of Horsefly, are overlain by Tertiary sediments and Plateau basaltic flows.

A number of intrusive rocks are located within the Quesnel Trough. These include: Triassic and/or Jurassic plutons and batholiths which vary in composition from granodiorite to quartz-diorite and small alkalic stocks which vary in composition from syenite through diorite to pyroxenite; and Tertiary plutons of biotite quartz-monzonite and granodiorite composition. The QR and Cariboo Bell deposits and the Megabuck prospect are all related to intrusive rocks.

One alkalic stock is poorly exposed 8 km southeast of China 3 claim on the Megabuck property currently being explored by Placer Development Ltd. Two areas of similar intrusives are poorly exposed 3 km northwest and 3 km west of China 3 on or near the China 2 and Beaver 2 claims. (Campbell 1978)

Local Geology

The best single outcrop on the China 3 claim is located beside the highway at the east claim boundary. It consists of maroon volcanic breccia containing coarse clasts to 60 cm in diameter. Poor exposures of similar rock were seen to the north of the highway in outcrops on lines OW and 2W. These occur as small cliff-like exposures on the side of a narrow but steep-sided ridge. Similar rock is exposed at the southwest corner of the claim on line 11W. Here, a large area contains coarse blocks of volcanic breccia. These are thought by the writer to be rubbly outcrops.

At the approximate center of the claim, on line 6W, a small exposure of feldspar porphyry or andesite porphyry is exposed in a

creek bank. This is probably a flow within the volcanic package.

Recent logging at the southeast corner of the claim exposed an outcrop(?) of heavily iron-stained tuff (?) or metasediment. Since no other exposures of this rock type were seen on the property, it may be a large block of float (?).

Elsewhere, the property is drift covered. Its thickness may vary up to 30 meters, as evidenced by road cuts and stream banks in the area.

Magnetometer Survey

A grid was laid out using a Silva compass for bearings and a hip chain for measurements. The south claim boundary was used as a baseline and the main highway as a tie line. Lines were run due north-south at, in most cases, 300 meter separations. Survey stations were marked at 50 meter intervals along each line. All lines and stations were marked with flagging tape. When each line was completed, its ends were tied to the adjoining line and to the baseline. As is normal in this type of reconnaissance survey, some lines deviated from the true bearing. The grid, as shown on Figure 4, represents the ground position of all lines and stations. A total of 17.6 line km were surveyed.

A Scintrex MF-2 fluxgate-type magnetometer was used on the survey. The calibration was set so that 50,000 gammas were removed from the readings. Readings were taken at each 50 meter station on the grid lines.

A number of reference stations were set along the highway at which magnetometer readings were taken both before and after surveying along the grid. Lines to the south of the highway were

surveyed first. A circuit was made traversing south on one line and returning north on another line. Lines to the north of the highway were run in a similar manner.

If the readings at the reference stations showed significant diurnal variation, then adjustments were made to the readings. Adjustments were made only to lines OW, 2W and 4W south of the highway.

All readings were plotted on a map on a scale of 1:10,000 (See Figure 4). Contours were drawn at 1000, 1500 and 2000 gammas.

Results

In the southwestern part of the claim magnetic readings are mostly less than 1000 gammas whereas in the northeastern half they are generally greater than 1000 gammas. This may indicate two distinct rock types. Insufficient outcrop is present to confirm this.

A weak magnetic northwest-trending positive anomaly is present at the center of the claims just south of the highway. This occurs in low swampy ground and extends into a meadow. It peaks at 2500 gammas on line 6W. This may reflect placer magnetite accumulated in the valley bottom, a small intrusive body, or mineralization along a northwest-striking structure. Overburden is probably deep in this area so the anomaly probably does not reflect shallow bedrock.

It is interesting to note that Map O.F. 574 (Campbell 1978) shows several small exposures of intrusive rock on trend to the northwest from this anomaly, the closest of which is 2 km from the China 3 claim. If one is present on the claim it could account for the anomaly. As mentioned under "General Geology", mineralization in the Quesnel Trough is often in or related to intrusive rocks.

Regionally, aeromagnetic map 5239G shows that the northern and central parts of the claim lie at the south end of an irregular shaped magnetic high. This anomaly trends about N15W and extends for 6 km beyond the northern boundary of the claim. This large anomaly would appear to be related to Lower Jurassic volcanic flows.


Conclusion

It is concluded that the magnetometer survey probably indicates that China 3 claim is underlain by two distinct volcanic units, one having a higher magnetic background than the other. It is also concluded that a weak magnetic high on the property could be related to an intrusive body occurring along a northwest-striking fault zone. Since copper-gold mineralization is known to occur in the Quesnel Trough related to intrusive rocks, additional work is warranted.

Recommendation

It is recommended that VLF-EM and geochemical soil surveys be conducted on the China 3 claim.

Respectfully submitted,

A circular professional seal for Harold M. Jones, P. Eng. The seal contains the text "PROFESSIONAL ENGINEER" around the top edge, "H. M. JONES" in the center, and "CONSULTING GEOLOGIST" around the bottom edge. There is a handwritten signature over the seal.
Harold M. Jones, P. Eng.

REFERENCES


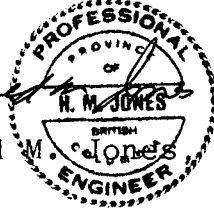
- Campbell, R.B. (1978)** Quesnel Lake Map Sheet, Geological Survey of Canada, Open File 574
- Campbell, R.B. and Tipper, H.W. (1970)** Geology and Mineral Exploration Potential of the Quesnel Trough, British Columbia C.I.M. Bulletin, Vol. 63, p. 785-790.
- Hodgson, C.J., Bailles, R.J. and Verzosa, R.S. (1976)** Cariboo-Bell in Porphyry Copper Deposits of the Canadian Cordillera, C.I.M. Spec. Vol. 15, pp. 388-396.
- Jones, H.M. (1984)** A Report on China 3 Claim, Horsefly Area, Cariboo Mining Division, - private report.
- Map 5239G** Horsefly, British Columbia, Geophy. Paper 5239

CERTIFICATE

I, Harold M. Jones, of the City of Vancouver, British Columbia, do hereby certify that:

1. I am a Consulting Geological Engineer with offices at 721-602 West Hastings Street, Vancouver British Columbia.
2. I am a graduate of the University of British Columbia in Geological Engineering, 1956.
3. I have practised my profession as a Geological Engineer for 25 years.
4. I am a member of the Association of Professional Engineers of British Columbia, Registration No. 4681.
5. I examined the China 3 claim on April 11, 1984 and between June 24-29, 1984 conducted a geophysical survey on the property.
6. I have no interest in, nor do I expect to receive any interest, direct or indirect, in the China 3 claim.

DATED AT VANCOUVER, B.C. THIS 15th day of July 1984.


Harold M. Jones P.Eng.


APPENDIX I

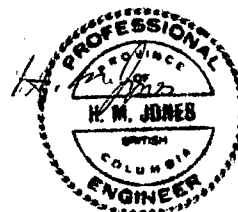
STATEMENT OF COSTS

**HAROLD M. JONES, P.ENG.
CONSULTING GEOLOGIST**

APPENDIX I
STATEMENT OF COSTS

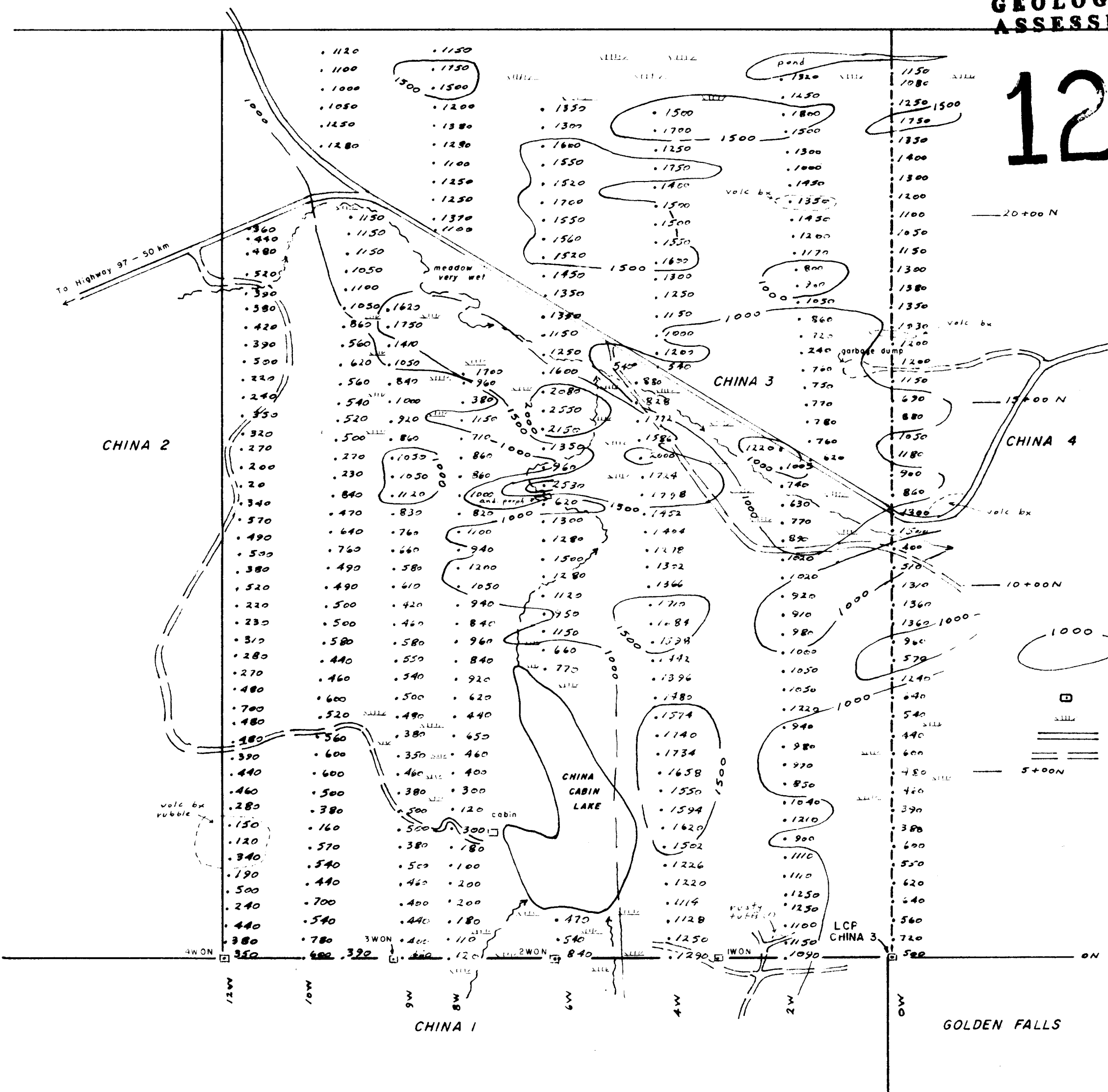
Wages:

H.M. Jones, P.Eng. - consulting geologist/ magnetometer operator		
5 days @ \$350/day	\$ 1,750	
Travel Time	100	
R. Simpson - Geologist, Field Assistant		
5 days @ \$110/day	500	
Travel Time	100	
		<u>\$2,500.00</u>
Room & Board: 5 days @ \$35/man day	\$ 350	
Extra meals	23	
		<u>373.00</u>
Travel: Air Fare @ \$183.60/man	\$ 367.20	
Taxis - 2 @ \$8.50	17.00	
Rental Car	245.38	
		<u>629.58</u>
Field Supplies: Flagging Thread, etc.		103.67
Magnetometer Rental		100.00
Report and Map Preparation:		
Report	\$ 600.00	
Drafting	75.00	
Downtown Bus. Serv.-Word Processing, xeroxing, etc.	143.17	
		<u>818.47</u>
		<u><u>\$4,524.42</u></u>



**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

12,582



LEGEND

- Vertical Magnetic Field in Gammas (50,000 gammas subtracted from total field)
- Claim post
- Swamp
- Highway
- Dirt road



LA TEKO RESOURCES LTD.
H.M. JONES, P.Eng. VANCOUVER, B.C.

**CHINA 3 CLAIM
MAGNETOMETER MAP**
NTS 93A-6W CARIBOO M.D.
HORSEFLY, B.C.

0 100 200 300 400 500 m

SCALE 1:10,000
H.M.J. JULY 1984 FIG. 4