

85-1108-14286

04/86

ASSESSMENT REPORT FOR THE  
COPPER BUTTE, ROCKY AND POINT CLAIMS (47 UNITS)  
RECORD NOS. 1129, 1394 & 1395  
ROCKYPOINT CREEK - BUGABOO CREEK AREA  
EAST KOOTENAY DISTRICT  
GOLDEN MINING DIVISION  
SPILLIMACHEEN, BRITISH COLUMBIA

N. Lat. 50°50'  
W. Long. 116°45'  
82K/15

For

PALERMO RESOURCES INC.  
#809 - 837 West Hastings Street  
Vancouver, British Columbia

FILMED

By

GEORGE P. KRUECKL, P. Eng.  
KRUECKL CONSULTING SERVICES LIMITED  
Richmond, B.C.

**GEOLOGICAL BRANCH  
ASSESSMENT REPORT**

January 10, 1986  
**14,286**

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## INTRODUCTION

This report was prepared at the request of the Directors of Palermo Resources Inc., Suite 809, 837 West Hastings Street, Vancouver, British Columbia.

The purpose of this report is to report the assessment work carried out during 1984 on the Copper Butte mineral claims by de La Mothe Exploration Services, (a commercial company providing exploration services) and a Statement of Expenses for the work carried out is given in the Appendix.

The writer is familiar with the property and has visited the site on July 28, 1983.

## PROPERTY - LOCATION, ACCESS AND PHYSIOGRAPHY

The property is located 40 kilometres west of Spillimacheen in the Purcell Mountains near the Bugaboo Mountains at the headwaters of Rockypoint Creek and approximately 5 kilometres from Bugaboo Creek. Rockypoint Creek flows into Bugaboo Creek which in turn flows into the Columbia River near the Town of Spillimacheen (Figure 1).

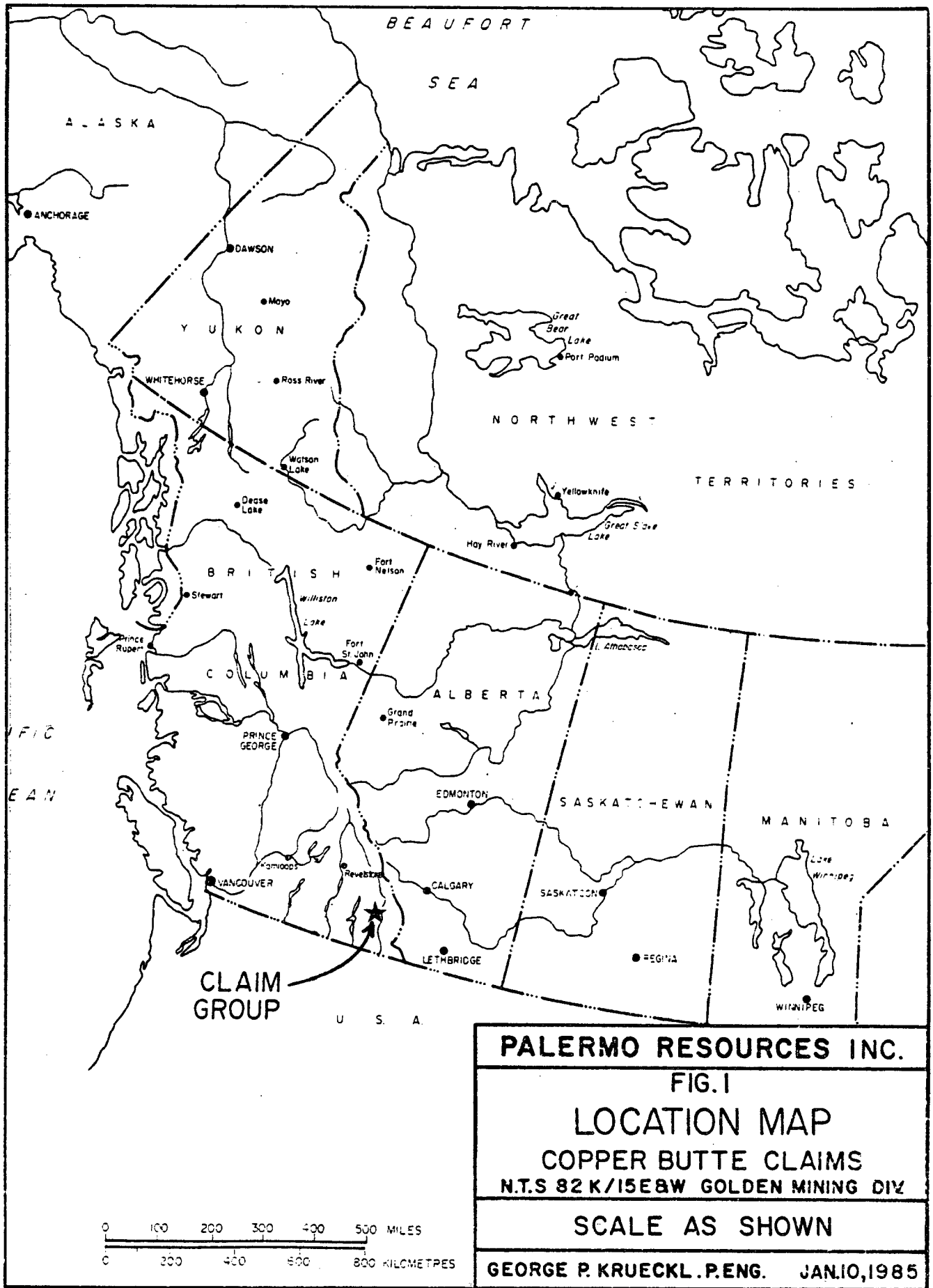
A highway of excellent quality parallels Bugaboo Creek and a rough trail from the highway follows Rockypoint Creek to the property. Access from Spillimacheen by highway and trail total 40 kilometres in distance.

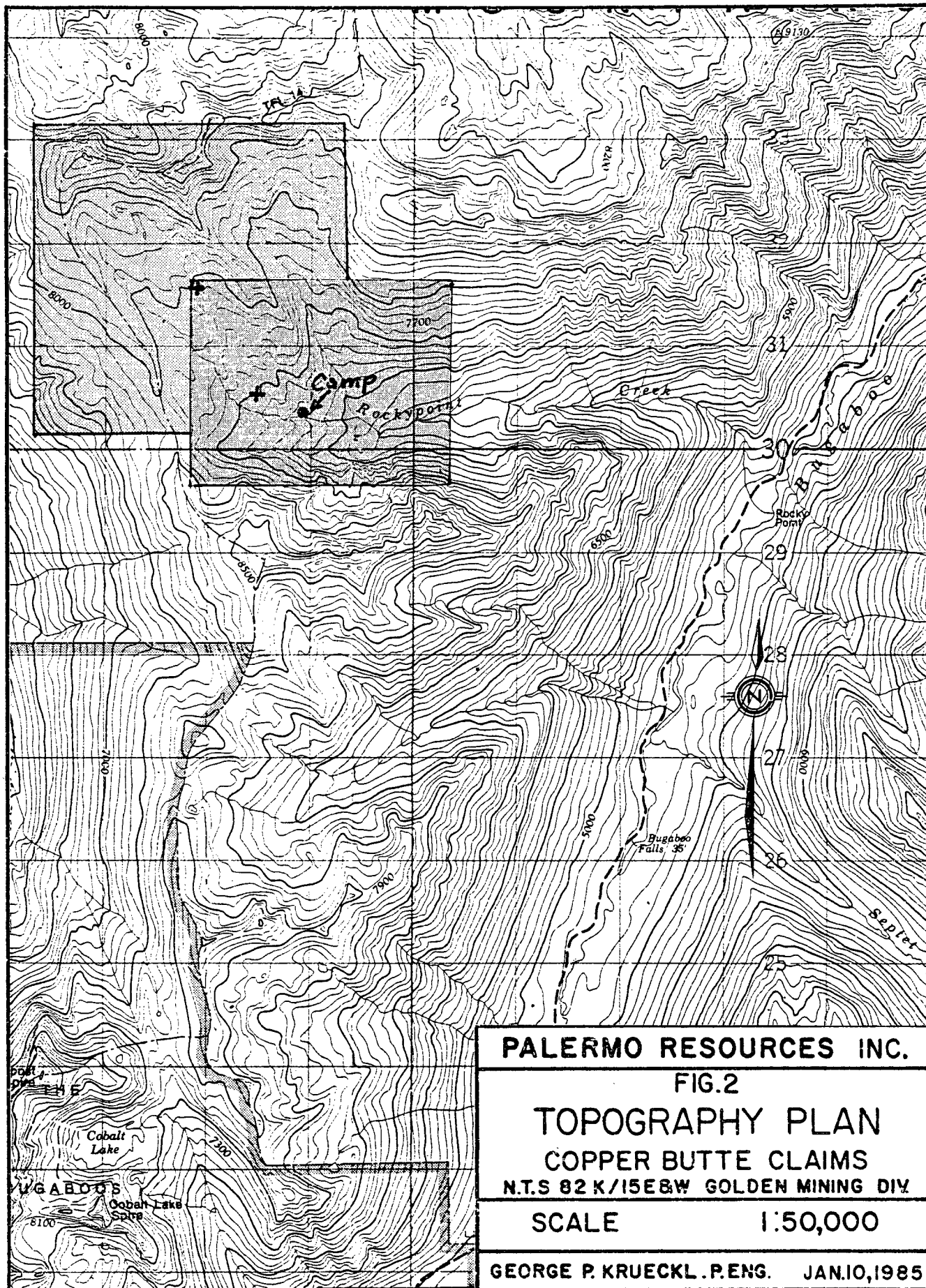
The Copper Butte property comprises one mineral claim containing 20 claim units and having a total area of 500 hectares.

The topography of the area is mountainous, relief ranging between 4500 feet and 9000 feet above sea level. The upper and western half of the claim is above the tree line in gently sloping cirque like valleys. The lower and eastern half is steep and forested (Figure 2).

## CLAIM

The Copper Butte mineral claim is located in the Golden Mining Division in the N.T.S. area 82K/15.





Information on file with the British Columbia Ministry of Energy, Mines and Petroleum Resources at Golden, British Columbia is as follows:

<u>Claim Name</u>	<u>Units</u>	<u>Record No.</u>	<u>Record Date</u>	<u>Expiry Date</u>	<u>Recorded Holder</u>
Copper Butte	4 x 5 = 20	1129	22 June 1983	6 June 1985	D.A. de La Mothe
Rocky	3 x 6 = 18	1394	14 Sept 1984	14 Sept 1985	"
Point	3 x 3 = 9	1395	14 Sept 1984	14 Sept 1985	"

The Copper Butte mineral claim is shown on Department of Mines and Petroleum Resources, Victoria, B.C. Mineral Claim Map having NTS number M82K/15 (Figure 3).

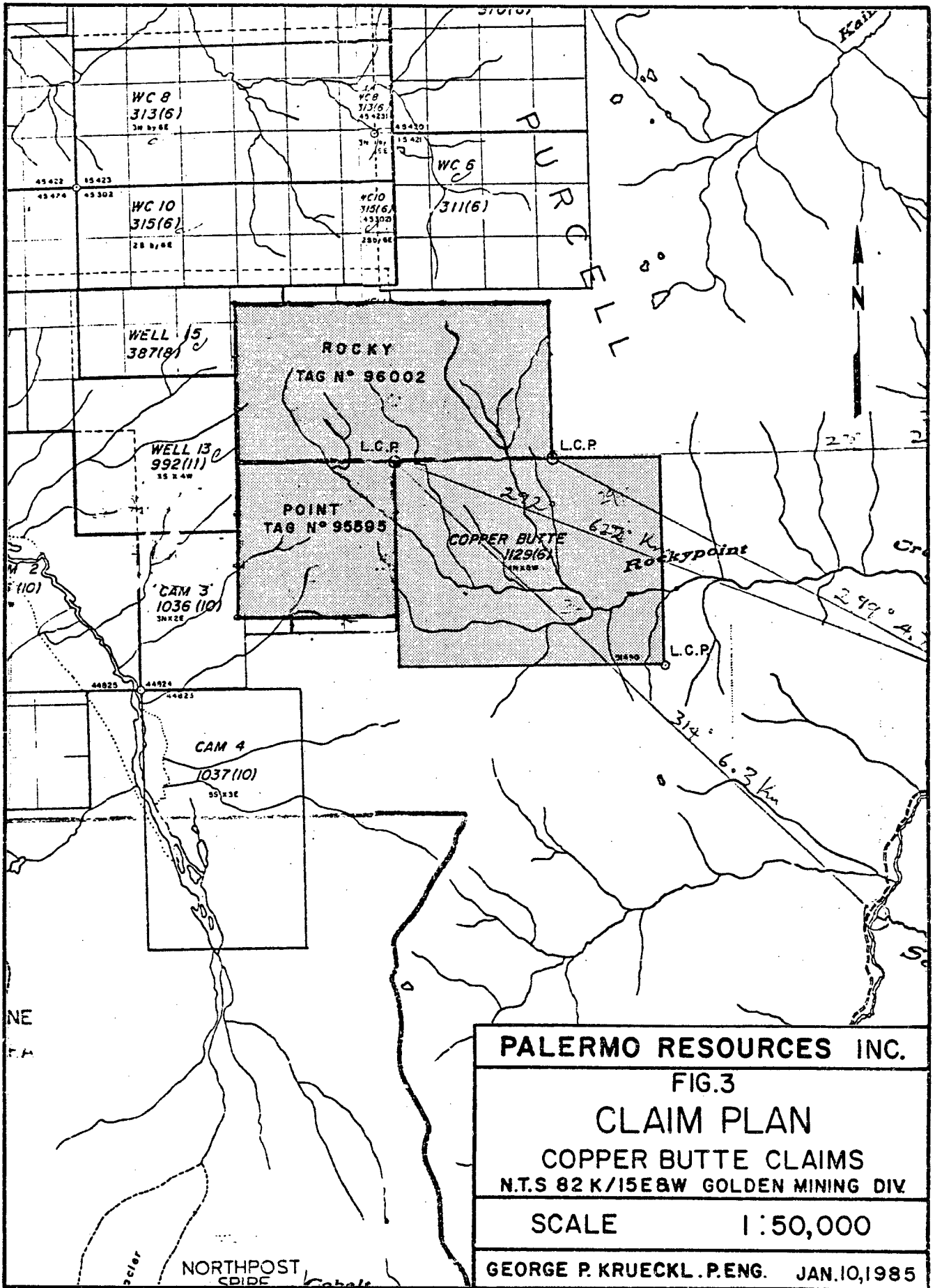
The writer does not accept responsibility for the legal status of these claims.

#### RESULTS OF THE 1984 FIELD PROGRAM

The 1984 exploration program carried out to fulfill the work recommended for Phase 2 consisted of additional staking of ground, geological mapping, sampling and an EM geophysical survey.

The Phase 2 program was modified only in the area covered by the mapping program carried out. All of the balance of the work as recommended for Phase 2 in the September 12, 1983 Report by the writer was carried out and included the following:

1. Laying out a survey grid to the north of the Copper Butte showing (Figure 5).
2. Staking of additional ground to the north and west of the claim staked in 1983.
3. Geological mapping of the area recommended was modified and only the area pertinent to the Copper Butte showings were mapped. The primary purpose for the mapping program was to determine if the shaft showing located in the south was structurally connected to the Copper Butte showing as one continuous ore zone. Since this modified mapping disproved the continuity of the ore, no additional mapping was carried out.



PALERMO RESOURCES INC.

FIG. 5

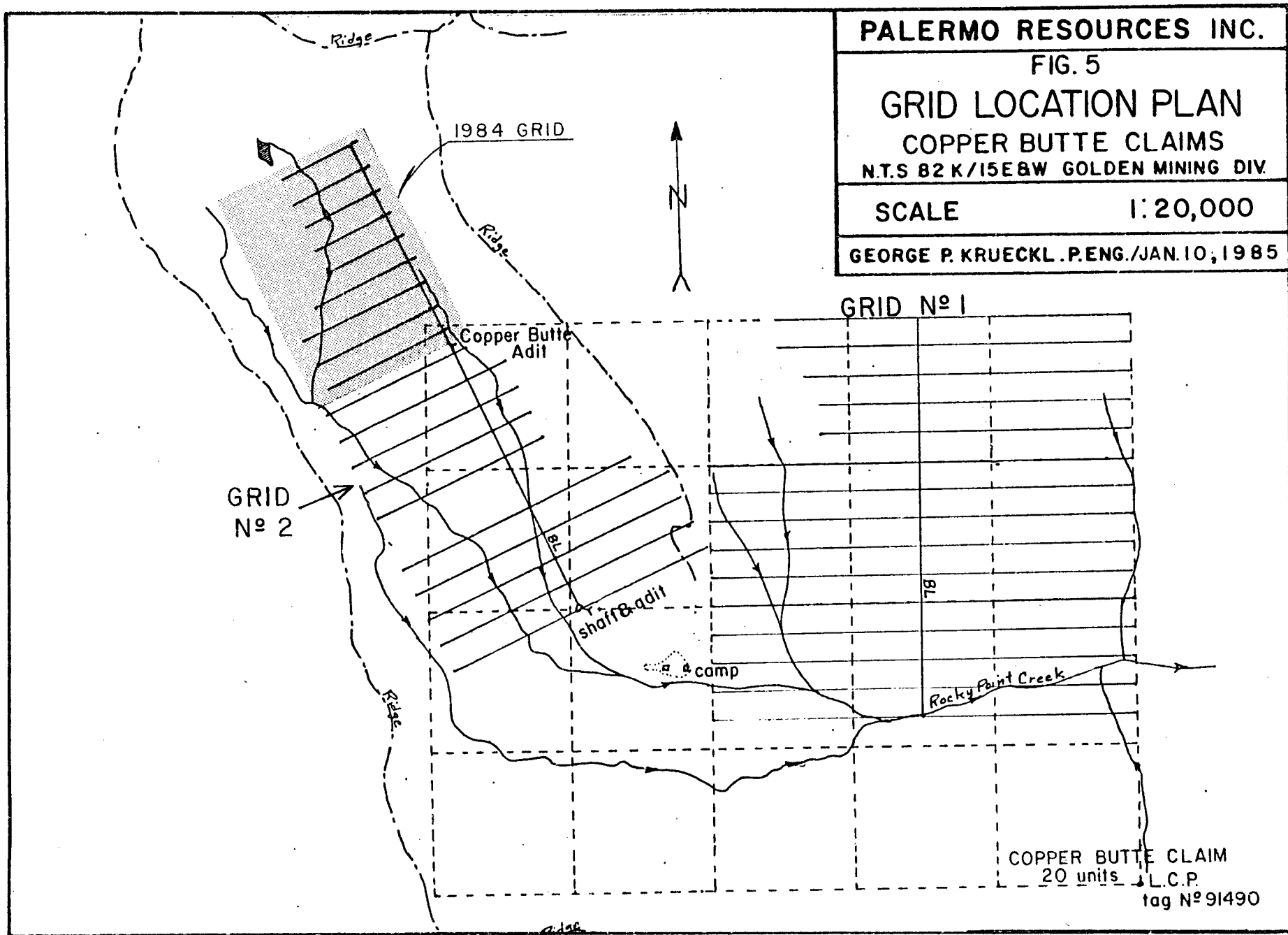
# GRID LOCATION PLAN

COPPER BUTTE CLAIMS  
N.T.S B2 K/15E&W GOLDEN MINING DIV.

SCALE

1:20,000

GEORGE P. KRUECKL .P.ENG./JAN.10,1985



GRID  
No 2

1984 GRID

GRID No 1

Copper Butte  
Adit

shaft & adit

camp

Rocky Point Creek

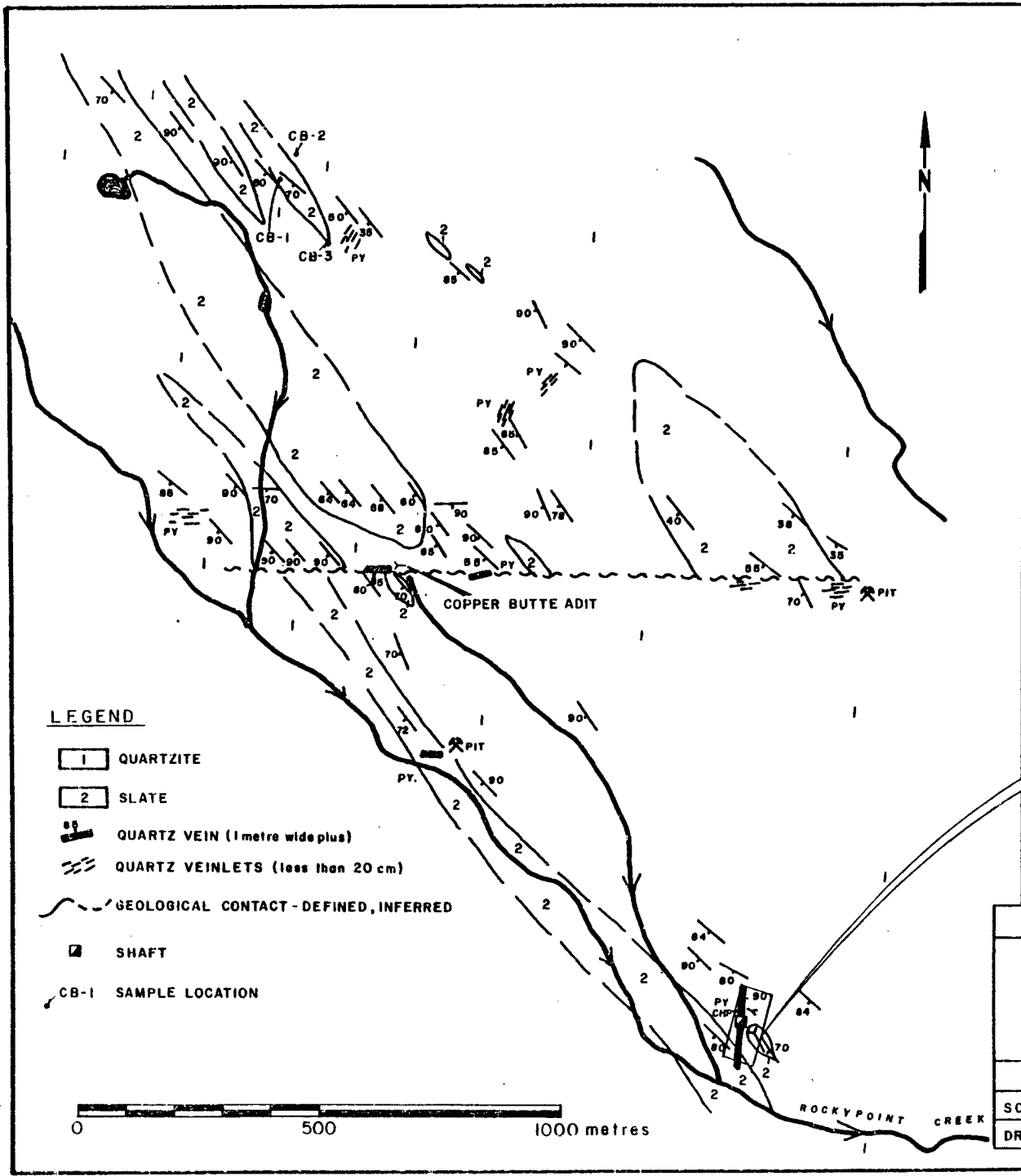
COPPER BUTTE CLAIM  
20 units L.C.P.  
tag No 91490



4. Sampling of bedrock in the Shaft and Copper Butte showings were carried out to confirm silver values given in old records.
5. VLF EM Geophysics was carried out over areas not covered in the previous year.

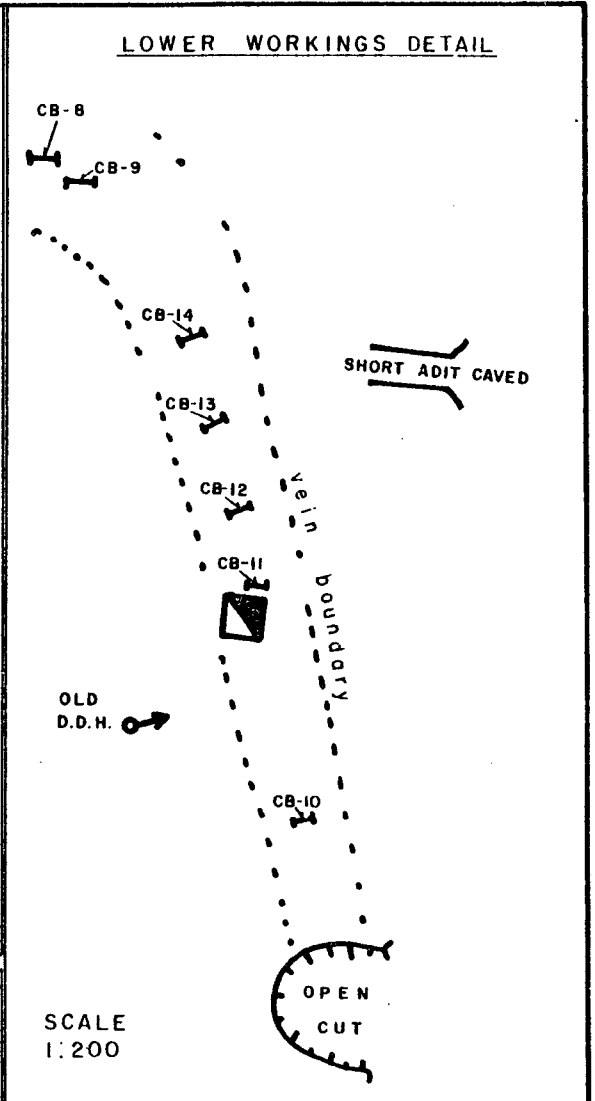
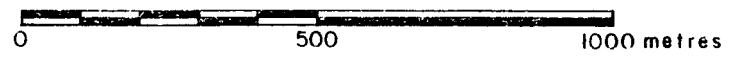
The geological mapping carried out involved a detailed mapping of the Copper Butte showing (Figure 7) and a general mapping of the area between the Copper Butte showing and the Shaft showing, plus areas directly north and east of the Copper Butte showing (Figure 6). Sampling was also carried out and the assay results for these are listed as follows with their locations given in Figures 6 and 7:

<u>Sample No.</u>	<u>Type</u>	<u>Length</u>	<u>Silver oz/ton</u>	<u>Copper %</u>	<u>Remarks</u>
CB-1	Grab	-	0.06	0.553	EM Grid Showings
CB-2	Grab	-	0.06	0.394	"
CB-3	Grab	-	0.06	2.710	"
CB-4	Channel	20 cm	0.12	1.320	Copper Butte Vein
CB-5	"	"	0.14	5.530	"
CB-6	"	"	0.11	1.820	"
CB-7	"	"	0.12	4.040	"
CB-8	"	10 cm	0.08	4.240	Shaft Showing
CB-9	"	"	0.07	1.920	"
CB-10	"	"	0.06	0.102	"
CB-11	"	"	0.06	1.580	"
CB-12	"	"	0.06	0.720	"
CB-13	"	"	0.06	0.550	"
CB-14	Channel	10 cm	0.08	1.730	"
CB-15	Grab	"	0.13	4.300	West Ridge Showing
CB-16	"	"	0.13	2.980	"
CB-17	Grab	"	0.12	0.392	East Ridge Showing
CB-18	"	"	0.10	12.500	"

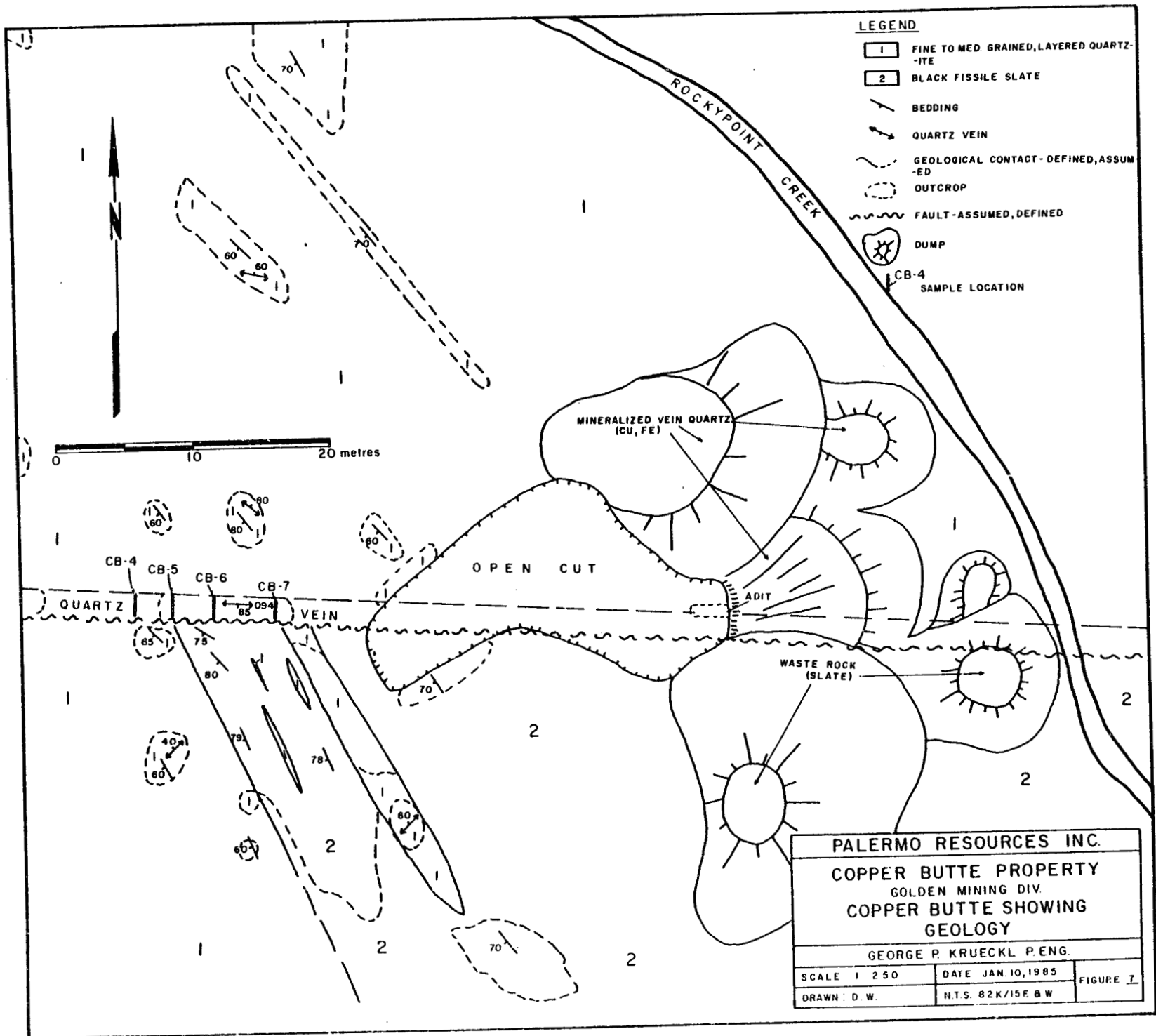


**LEGEND**

- 1 QUARTZITE
- 2 SLATE
- QUARTZ VEIN (1 metre wide plus)
- QUARTZ VEINLETS (less than 20 cm)
- GEOLOGICAL CONTACT - DEFINED, INFERRED
- SHAFT
- CB-1 SAMPLE LOCATION



<b>PALERMO RESOURCES INC.</b>		
<b>COPPER BUTTE PROPERTY</b>		
GOLDEN MINING DIV.		
<b>CLAIM AREA GEOLOGY</b>		
GEORGE P. KRUECKL P. ENG.		
SCALE: 1:10,000	DATE: JAN., 1985	FIGURE 6
DRAWN: D.W.	N.T.S. 82 K/15 E & W	



The Geophysical instrument used was a Geometric EMI6, the signal source being Seattle at 18.6 kHz. Two readings were taken, an inphase reading which is the amount of distortion of the radio station signal and an out-of-phase reading being the secondary field produced at 90° to the inphase reading. The field data was plotted as profiles showing readings as percent of inphase and out-of-phase (see Figure 8).

#### REFERENCES

Information in the following publications is considered to be pertinent to the ground covered by Copper Butte claim area.

British Columbia Minister of Mines Reports for the years:

1917 - pp. K188 and K516

1924 - pp. A198

1961 - pp. 83

1967 - pp. 266

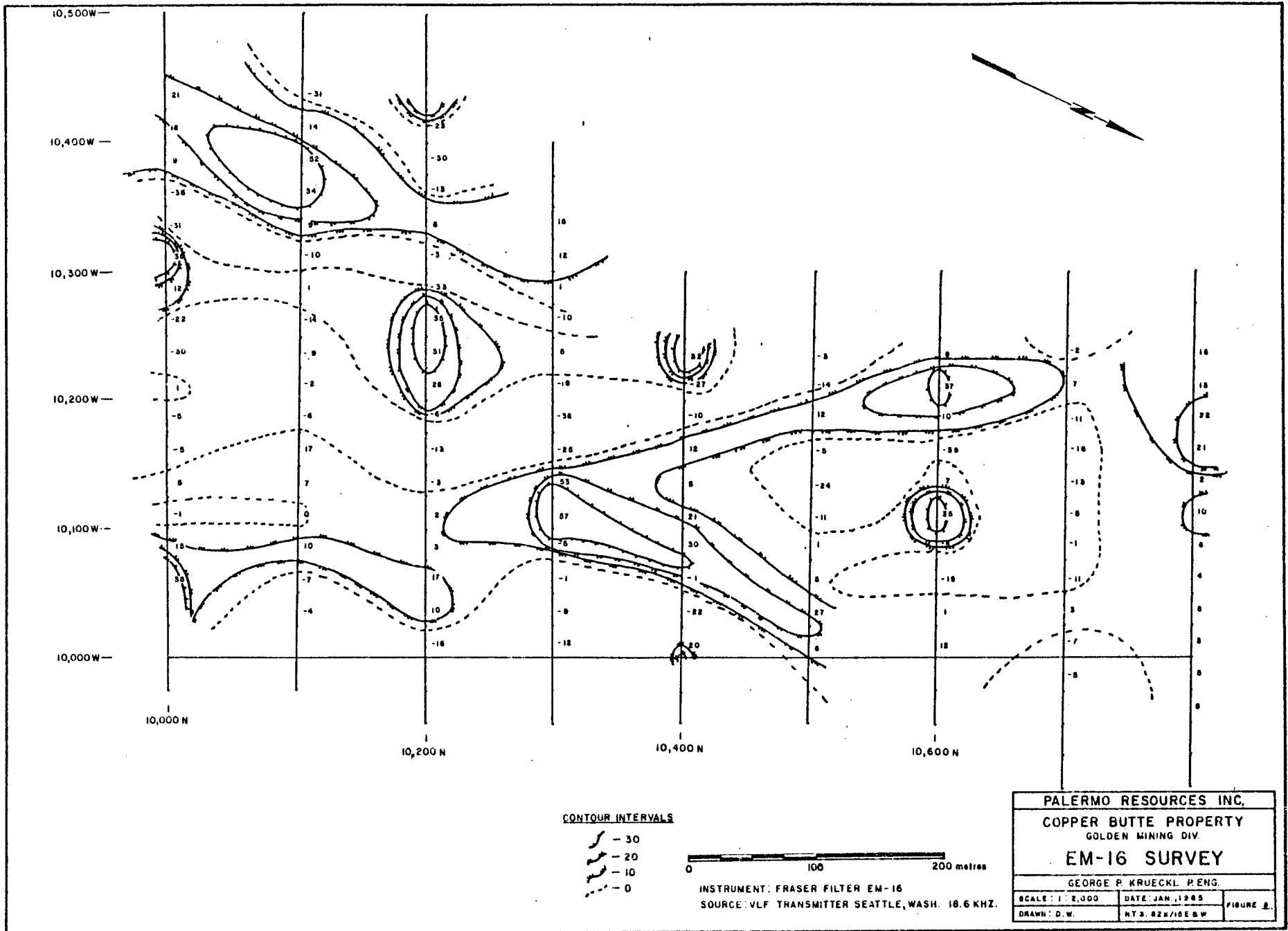
Geological Survey of Canada - Memoir 369 by J.E. Reesor and Map 1326A covering NTS area 82K (East Half).

Report on the Copper Butte Claim (20 units) Record No. 1129

Rocky point Creek - Bugaboo Creek Area

East Kootenay District, Golden Mining Division

Spillimacheen, British Columbia by George Krueckl.




### CERTIFICATE

I, George P. Krueckl, of the City of Richmond, Province of British Columbia, hereby certify as follows:

1. I am a Consulting Geological Engineer with an office at 4860 Fortune Avenue, Richmond, B.C., V7E 4H9.
2. I am a registered Professional Engineer of the Province of British Columbia.
3. I graduated with a degree of Bachelor of Science, Geological Engineering, from the University of Saskatchewan, 1962.
4. I have practised my profession for 22 years.
5. I have no direct or indirect interest in the shares of Blue Lake Resources Ltd. or the Silver Bell mineral claim, subject of this report, nor do I intend to have any interest.
6. This report dated January 10, 1985 is based on a personal field examination I made on July 28, 1983, and from information gathered from the 1984 Field Program and available maps and reports.
7. Permission is granted to publish this report dated January 10, 1985 in a Statement of Material Facts for Palermo Resources Inc. Written permission from the author is required to publish this report for any other purpose.

DATED at Richmond, Province of British Columbia, this 10th day of January, 1985.

  
George P. Krueckl, P. Eng.  
Consulting Engineer  
#12308

APPENDIX

MIN-EN Laboratories Ltd.

Specialists in Mineral Environments

705 WEST 15th STREET NORTH VANCOUVER, B.C. CANADA V7M 1T2

PHONE: (604)980-5814 OR (604)988-4524

TELEX: 04-352828

CERTIFICATE OF ASSAY

COMPANY: DE LA MOTHE EXPLORATIONS

FILE: 5-3

PROJECT: COPPER BUTTE


DATE: JANUARY 7/85

ATTENTION: D. DE LA MOTHE

TYPE: ROCK ASSAY

We hereby certify that the following are assay results for samples submitted.

SAMPLE NUMBER	AG G/TONNE	AG OZ/TON	CU %
CB-1	2.2	0.06	.553
CB-2	1.9	0.06	.394
CB-3	2.0	0.06	2.710
CB-4	4.0	0.12	1.320
CB-5	4.9	0.14	5.530
CB-6	3.8	0.11	1.820
CB-7	4.0	0.12	4.040
CB-8	2.9	0.08	4.240
CB-9	2.3	0.07	1.920
CB-10	2.2	0.06	.102
CB-11	2.1	0.06	1.580
CB-12	2.0	0.06	.720
CB-13	2.2	0.06	.550
CB-14	2.9	0.08	1.730
CB-15	4.6	0.13	4.300
CB-16	4.3	0.13	2.980
CB-17	4.2	0.12	.392
CB-18	3.5	0.10	12.500

Certified by 

MIN-EN LABORATORIES LTD.



# MIN-EN Laboratories Ltd.

705 WEST 15th STREET,  
NORTH VANCOUVER, B.C., CANADA V7M 1T2  
TELEPHONE (604) 980-5814

## ANALYTICAL REPORT

Project Copper Butte phase II Date of report January 7, 1985  
File No. 5-3 Date samples received January 3, 1985  
Samples submitted by: D. De Lamothe  
Company: De La Mothe Explorations  
Report on: ..... Geochem samples  
.....  
18 ..... Assay samples  
.....

Copies sent to:

1. De La Mothe Explorations, North Vancouver, B.C.
2. ....
3. ....

Samples: Sieved to mesh ..... Ground to mesh -100

Prepared samples stored  discarded

rejects stored  discarded

Methods of analysis: Ag, Cu - acid digestion; chemical analysis.

Remarks: .....

SPECIALISTS IN MINERAL ENVIRONMENTS

*de La Mothe*  
**EXPLORATION SERVICES LTD.**

1026 DEEP COVE RD., NORTH VANCOUVER, B.C. V7G 1S3

BUS. (604) 929-2989

RES. (604) 922-5829

**COST STATEMENT**

Commercial exploration company cost statement.

Geological Mapping  
9.2 km square 1:10,000 & 1:250 scale  
Geophysical survey  
EM survey Geotronics EM-16  
4.5 km one frequency, dip and quad readings  
EM rental  
Data fraser filtered (in office)  
Grid layout by compass and hip chain, flagged  
Rock sampling  
18 chip samples cut (various showings)  
Assays 18 for Cu, Ag and sample prep (Min-Em labs)  
Helicopter support (Golden Base Okanagan)  
Camp equipment, 1 tent, 1 heater, miscellaneous  
Food, 10 days, 3 men,  
Transportation Vancouver to Golden return  
Via rental truck plus gas and 2 nights motel, 3 people & food  
Work performed from August 16 to 26th, 1984

Total Cost \$14,245.

Cost of Engineering by  
George Krueckl 1,664.67

TOTAL \$15,909.67