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DIAMOND DRILLING REPORT

on the 03/86

GOLDBUG GROUP

**BUG 1-4 (2102 - 05), JAMIE (4183), EAGLE (4048),
AZTEC 2 - 3 (3778, 3815)**

of

BELINDA MINES LTD.

FILMED

GREENWOOD MINING DIVISION

82E/6E

LATITUDE 49°22'N LONGITUDE 119°07'W

by

GREGORY G. CROWE, M.Sc., P.Geol.

03/86

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

Vancouver, B.C.

March, 1985

14,317

TABLE OF CONTENTS

	<u>PAGE</u>
SUMMARY	1
INTRODUCTION	2
Location, Access and Physiography	2
Property	2
PREVIOUS WORK	4
REGIONAL GEOLOGY AND MINERALIZATION	5
DIAMOND DRILLING PROGRAM	5
CONCLUSIONS AND RECOMMENDATIONS	8
REFERENCES	9
CERTIFICATE	11
APPENDIX I - COSTS INCURRED	
APPENDIX II - DIAMOND DRILL LOGS	
APPENDIX III - ANALYTICAL RESULTS	

LIST OF FIGURES

FIGURE 1 - LOCATION AND CLAIM MAP	3
FIGURE 2 - DRILL HOLE LOCATIONS	6

SUMMARY

The Goldbug group of claims is strategically located, in that it is underlain by a geological environment similar to the Beaverdell Highland Bell and Carmi deposits. Short diamond drill holes on the Bug 2 (2103) mineral claim intersected alteration and mineralization that may host significant gold-silver values. One assay returned 5.8 oz/t Ag with 1.52% Pb + 0.54% Zn.

Past work on the claim group and on adjacent claims has uncovered precious and base metal bearing quartz veins, which returned values high in gold and silver. Further work on the property should commence with detailed and reconnaissance geological mapping, accompanied by the resampling of all old workings.

INTRODUCTION

At the request of Mr. Agoston Morvay of Belinda Mines Ltd., Ram Exploration Ltd. examined and logged core from the Bug 2 (2103) mineral claim. The core was logged in the Vancouver office of Belinda Mines Ltd. and no attempt to examine the diamond drill hole locations on the property was undertaken. Neither the author, nor and representative of Ram Exploration, visited the Goldbug group of claims.

Location, Access and Physiography

The Goldbug claim group is situated along the western slopes of the Westkettle River valley, approximately 7 km south of Beaverdell, British Columbia. Eugene and Tuzo creeks drain eastwards through the property.

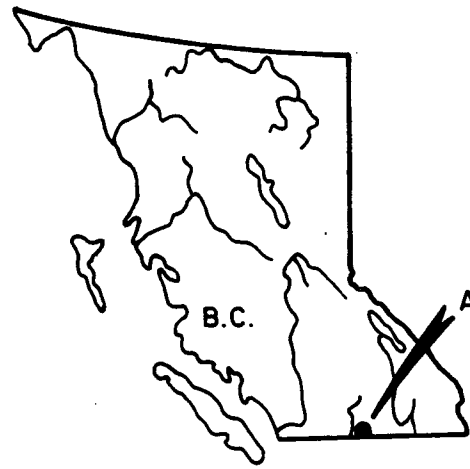
The Westkettle River valley is a U shaped glacial valley, with steep sides hosting abundant bedrock exposures. Elevations range from 770 m in the valley floor to just over 1525 m.

The valley sides are thinly forested with light underbrush. Only a few peaks reach elevations sufficient enough to support alpine vegetation. Creek beds are predominantly dry most of the year.

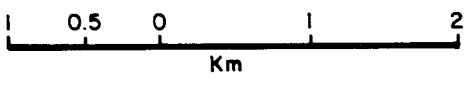
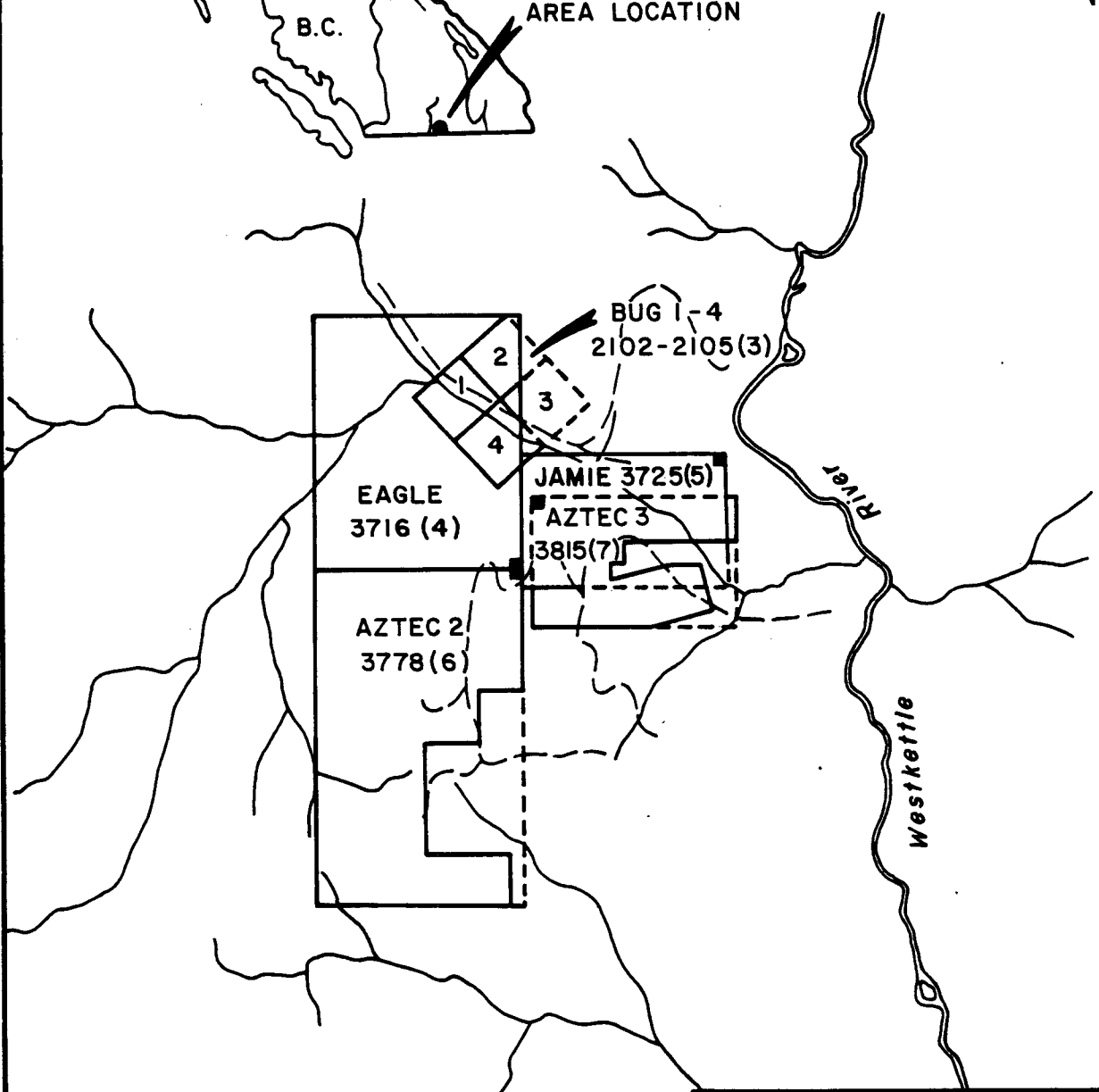
Access is by logging road from the Westkettle River valley. One road parallels Tuzo and Eugene Creeks, traversing the Jamie, Aztec 3 and Bug mineral claims. Another road heads west, then south allowing access to the Aztec 2 claim group (Figure 1).

Property

The Goldbug Group consists of eight mineral claim blocks, recorded in the Greenwood Mining Division, on map sheet 82E/6E, latitude 49°22'N, longitude 119°07'W.



AREA LOCATION



BELINDA MINES LTD
GOLDBUG PROPERTY
GREENWOOD M.D. - BRITISH COLUMBIA

LOCATION
&
CLAIM MAP

RAM EXPLORATION LTD.
VANCOUVER B.C.

DWN BY: L.W.
N.T.S. 82 E/6E
DATE: MARCH, 1985

FIGURE 1

<u>Claim</u>	<u>Units</u>	<u>Record #</u>	<u>Owner</u>	<u>Expiry</u>
BUG 1	1	2102	Belinda Mines	March 27, 1986
BUG 2	1	2103	Belinda Mines	March 27, 1986
BUG 3	1	2104	Belinda Mines	March 27, 1986
BUG 4	1	2105	Belinda Mines	March 27, 1986
AZTEC 2	20	3778	Belinda Mines	June 18, 1986
AZTEC 3	6	3815	Belinda Mines	July 14, 1986
JAMIE	6	4183	Belinda Mines	October 29, 1986
EAGLE	12	4048	Belinda Mines	May 24, 1986

PREVIOUS WORK

The Beaverdell area has been active since the mid 1880's, when gold, silver and base metal bearing quartz veins were discovered near Wallace Mountain, 7 km northeast of the Goldbug Group. The entire region was intensely prospected, but only two properties, the Highland Bell and the Carmi, recorded production of any significance. Highland Bell, on the western slopes of Wallace Mountain, has mined high grade silver - lead ore since the 1930's. It is currently producing 100 ton/day and hosts reserves of 68,000 tons grading 0.4% Pb, 0.5% Zn, 9.0 oz/t Ag and 0.1 oz/t Au.

Numerous pits and adits occur on the ground underlain by the Goldbug claim group (Smith, 1973). The Fur 1 mineral claim (now covered by the Aztec 3 claim group) has a recorded production of 60 tons/day. This yielded 48 oz Au, 196 oz Ag, 257 lb Pb and 108 lb Zn (Minfile 82E/SW - 161).

Geophysical and geochemical programs have outlined extensions of mineralized veins and as yet uninvestigated anomalous zones on the old Fur claims (Beaudois, 1970; Saunders, 1971; Beckmann and Smith, 1973; Smith, 1973; Paltser, 1974) and on ground adjacent to the Goldbug claim group (Rote, 1970 and 1971; Cuz, 1980; Kim, 1981).

REGIONAL GEOLOGY AND MINERALIZATION

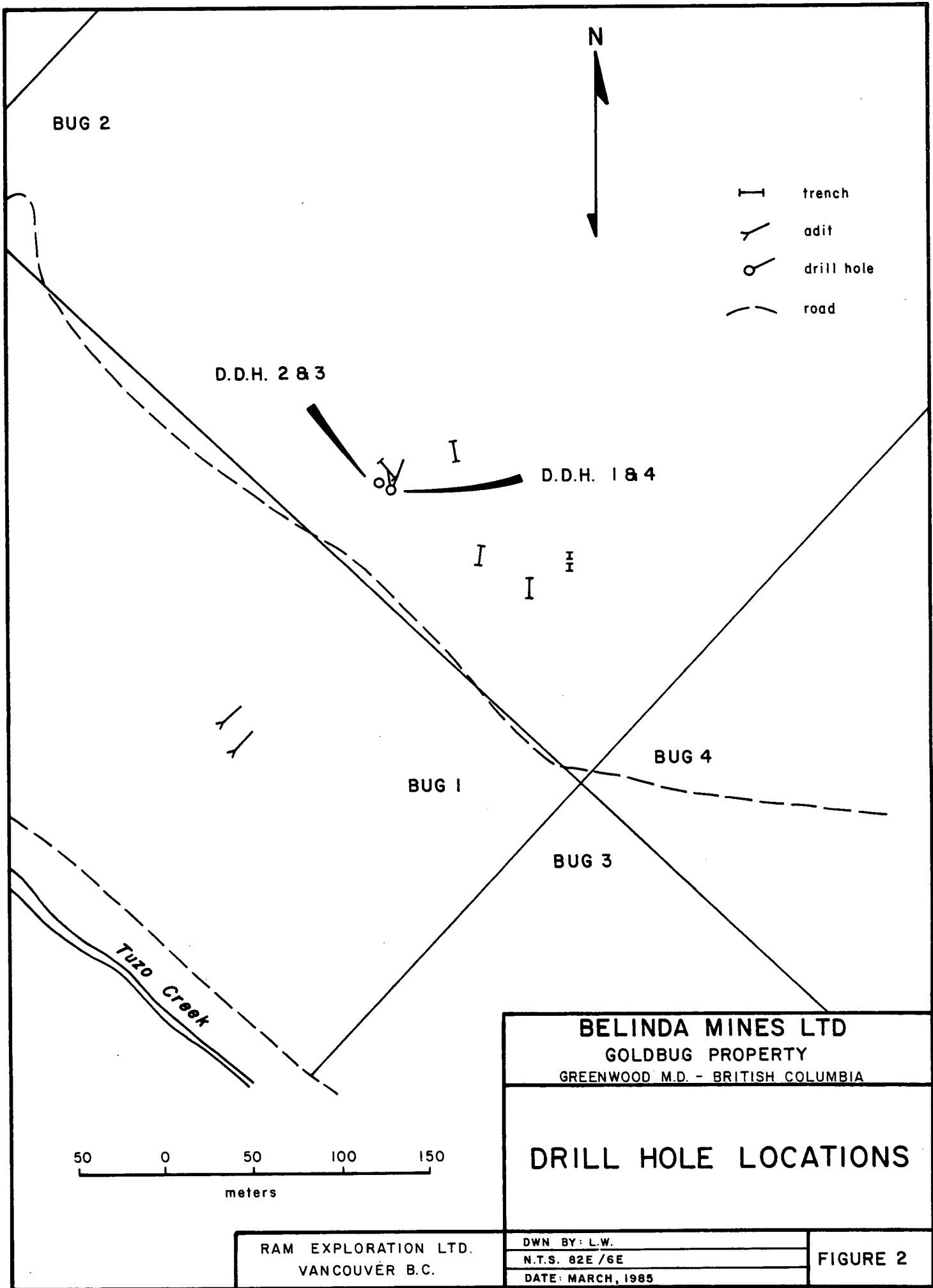
The Beaverdell camp is underlain by a series of Jurassic to Tertiary, alkalic and calc-alkalic plutonics, which have intruded Permian to Triassic Anarchist Group metasediments and metavolcanics. Two distinct intrusive events have been documented. The Jurassic - Cretaceous Nelson calc-alkaline suite is composed of diorite, quartz diorite, granodiorite and quartz monzonite. These predate the emplacement of Tertiary Coryell syenites and quartz syenites.

Quartz sulphide veins, which appear to be mineralized fissures, are hosted predominantly by Nelson plutonics adjacent to Coryell stocks (Beckmann and Smith, 1973; Watson, 1980). Minor mineralization continues into roof pendants of the Anarchist Group. Mineralization consists of pyrite, galena, sphalerite, some arsenopyrite, chalcopyrite, pyrrhotite and silver minerals such as pyrargyrite, tetrahedrite, polybasite, argentite and native silver (Watson, 1980).

Veins are generally north to northeast striking and steeply dipping. Widths and assays average 0.3 to 1.2 m with 5.0 - 15.0 oz/t Ag. Significant gold values have also been documented (Minfile reports).

DIAMOND DRILL PROGRAM

A diamond drilling program, consisting of four short holes, was carried out on the Bug 2 mineral claim in April, 1984. Holes 2 and 3 were abandoned at a depth of 8' (2.43 m) and 12' (3.66 m) respectively. Hole 1 went to a depth of 35' (10.67 m) and Hole 4 was drilled to 52.5' (16.00 m). Core diameter was 7/8". Inclinations, azimuths and collar elevations for each hole are shown on the diamond drill logs in Appendix 2. Drill hole locations are shown on figure 2.



RAM EXPLORATION LTD.
 VANCOUVER B.C.

DWN BY: L.W.
 N.T.S. 82E/6E
 DATE: MARCH, 1985

FIGURE 2

Quartz monzonite was the dominant rock type encountered in each of the drill holes. Alteration varied in intensity and consisted of epidote and chlorite +/- pyrite, with lesser amounts of silica, sericite, K-feldspar and carbonate.

Chlorite was noted to replace mafic minerals, while epidote replaced feldspar. Chlorite and epidote also appeared as discrete clots and as fracture and vein fillings. Silica, sericite and rare K-feldspar were restricted to vein and shear alterations. Carbonate consisted of calcite and minor dolomite, occurring as narrow (to 1 mm) vein fillings. These veins appeared to postdate all previous alteration assemblages. Pyrite occurred as disseminations and vein fillings, its abundance being proportional to the degree of alteration. Magnetite also appeared locally.

Three intersections were of particular interest and may be significant with respect to gold mineralization. In Hole 1, a 6' (1.8 m) interval (24' (7.3 m) to 30' (9.14 m)) hosted up to 2% pyrite, in a heavily chloritized breccia with white siliceous fragments. Magnetite was also present. A siliceous zone, with pyrite and magnetite, occupied the basal 8" (14 cm).

A 3' (0.91 m) section (18' (5.49 m) to 21' (6.40 m)) in Hole 4 was occupied by a heavily chloritized shear, with up to 1% pyrite. Core was lost over this interval. A similar zone was encountered between 32' (9.75 m) and 36' (10.97 m). Here and intense stockwork of epidote and chlorite veining hosted some pyrite. No assays were taken in these sections.

One assay from the top of abandoned Hole 2, however, returned 5.8 oz/t Ag and 1.52% Pb and 0.54% Zn. This was hosted by chlorite and epidote altered quartz monzonite with disseminated pyrite and magnetite.

CONCLUSIONS AND RECOMMENDATIONS

Diamond drilling has indicated that the Bug 2 mineral claim is underlain by quartz monzonite, possibly of the Nelson calc-alkaline suite. Veins, along with shear and breccia zones, host extensive chlorite, epidote and pyrite alteration. Minor sericite, K-feldspar and carbonate alteration was also noted.

These zones of intense alteration may be significant with respect to Beaverdell type silver and gold mineralization. The results of this program are inconclusive however, as no intervals were assayed, except for the top of the abandoned Hole #2. Here 5.8 oz/t Ag was recovered from a chlorite-epidote alteration zone.

The potential exists for Beaverdell type mineralization on the Goldbug Group of claims. Continued work should commence with detailed and reconnaissance geological mapping. Old trenches, pits and adits should be cleaned out and resampled. This should be completed before further drilling, geochemical and/or geophysical surveys are conducted on the property.

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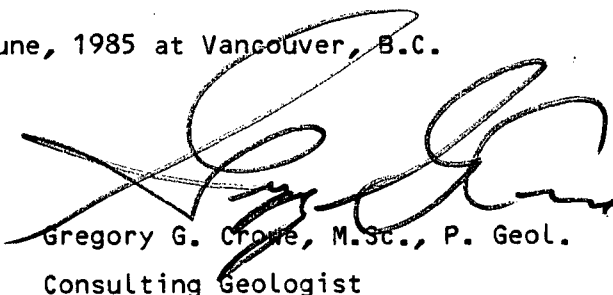
Report.

CERTIFICATE

I, GREGORY G. CROWE, of the city of Vancouver, British Columbia hereby certify that:

- 1) I am a consulting geologist with offices at 404 - 850 West Hastings St., Vancouver, B.C.
- 2) I hold a degree of Master of Science in Geology from the University of Calgary, November, 1981 and a Bachelor of Science in Geology from Carleton University in Ottawa, June, 1977.
- 3) I am a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta.
- 4) I have been employed in my profession for the past 10 years.
- 5) I have no interest either directly or indirectly, nor do I expect to receive any interest in the property covered in this report or in the shares of Belinda Mines Ltd.
- 6) This report is based on an examination of core stored in the Vancouver office of Belinda Mines Ltd and on a detailed evaluation of previous operators technical data.

Dated on this 20th day of June, 1985 at Vancouver, B.C.



Gregory G. Crowe, M.Sc., P. Geol.
Consulting Geologist

APPENDIX I

COSTS INCURRED

COST INCURRED

Diamond Drilling	106.5'	@ \$25/foot	\$ 2,662.50
Accommodation	30	@ \$30/day	900.00
Food	30	@ \$25/day	750.00
Truck Rental	1.0	@ \$254/month	254.00
Report			835.00
		Total	\$ 5,401.50

APPENDIX II

DIAMOND DRILL LOGS

APPENDIX III

ANALYTICAL RESULTS

ROSBACHER LABORATORY LTD.

CERTIFICATE OF ANALYSIS

2225 SOUTH SPRINGER AVENUE
 BURNABY, B.C. V5B 3N1
 TEL: (604) 299-6910

TO: A. MATOVICH

CERTIFICATE NO. : 84120 - 1

BEAVER-DELL

INVOICE NO. : 4150

PROJECT: -

DATE ANALYSED : JUNE 27 1984

SAMPLE#	oz/t Au	oz/t Ag	% Cu	% Pb	% Zn	% SiO ₂	% Fe ₂ O ₃	% Al ₂ O ₃
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A No 7 0.001 5.80 1.52 0.54

#1

#2

TRENCHING FINES

#3

CORASE ROCK

#4

TUNNEL

#5

FACING TUNNEL

#6

DRILL CORE EXPANDED TUNNEL

#7

NO DRILL HOLE TOP (T-4)