

85-348-14593

REPORT ON DIAMOND DRILLING  
AT THE PROPERTY OF  
CONSOLIDATED CINOLA MINES LTD.  
ENERGY RESERVES CANADA (METALS) LTD.  
NOVEMBER - DECEMBER 1984

03/86

CINOLA CLAIM GROUP  
GRAHAM ISLAND, B.C.  
SKEENA MINING DIVISION

LAT 53°32' N  
LONG 132°13' W  
NTS 103 F 9E

BY

FILMED

K.G. SANDERS P. ENG.  
MAY 29, 1985  
FOR ASSESSMENT REQUIREMENTS

**GEOLOGICAL BRANCH  
ASSESSMENT REPORT**

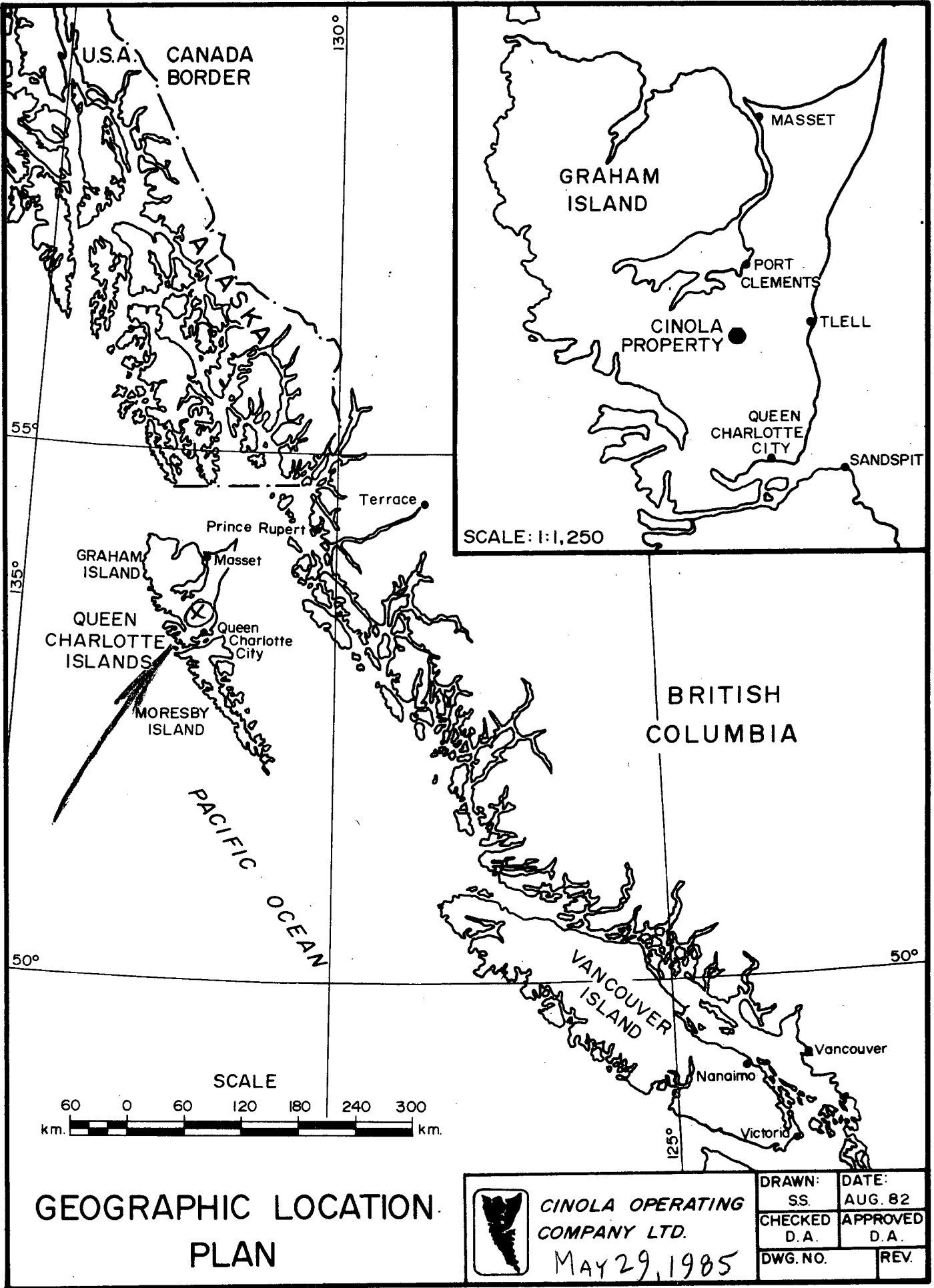
14,593

03/86

REPORT INDEX

PAGE

Geographic Location Plan	1
Summary	2
Claim Group Location and Access	2
Claim Data	3
Drilling Summary	4
Cost Statement	4
Mineral Claim Map	5
Drill Location Plan	6
Drill Logs	7 - 36
Invoices	37
Engineer's Statement	38
Geologist's Statement	39



SUMMARY:- This is a report on diamond drilling on the Cinola claim group on Graham Island carried out in November and December of 1984. Fourteen BQ diamond drill holes were completed for a total of 917.4 metres. The cost of the program for assessment purposes is calculated at \$81.75 per metre. Maps, core logs and a cost statement are included in this report.

CLAIM GROUP LOCATION AND ACCESS:- The claims are on Graham Island in the Queen Charlotte Islands and lie at 53°32" N lat. and 132°13' W long. (NTS 103 F 9E). Access is by daily jet service from Vancouver to Sandspit and thence by good public and private logging roads. A B.C. Ferry also operates twice weekly between Prince Rupert and Skidegate Landing.

CLAIM DATA: \_ See Page 3.

K. P.





DRILLING SUMMARY:- Fourteen BQ holes were completed for 917.4 metres in the period November 19, 1984 to December 16, 1984. Two BBS #1 surface drills were supplied and operated by two drilling contractors - Calar Developments Vancouver B.C. and Core Enterprises, Smithers B.C. All monies were paid to Calar. The holes were numbered 84-4 to 84-17 inclusive.

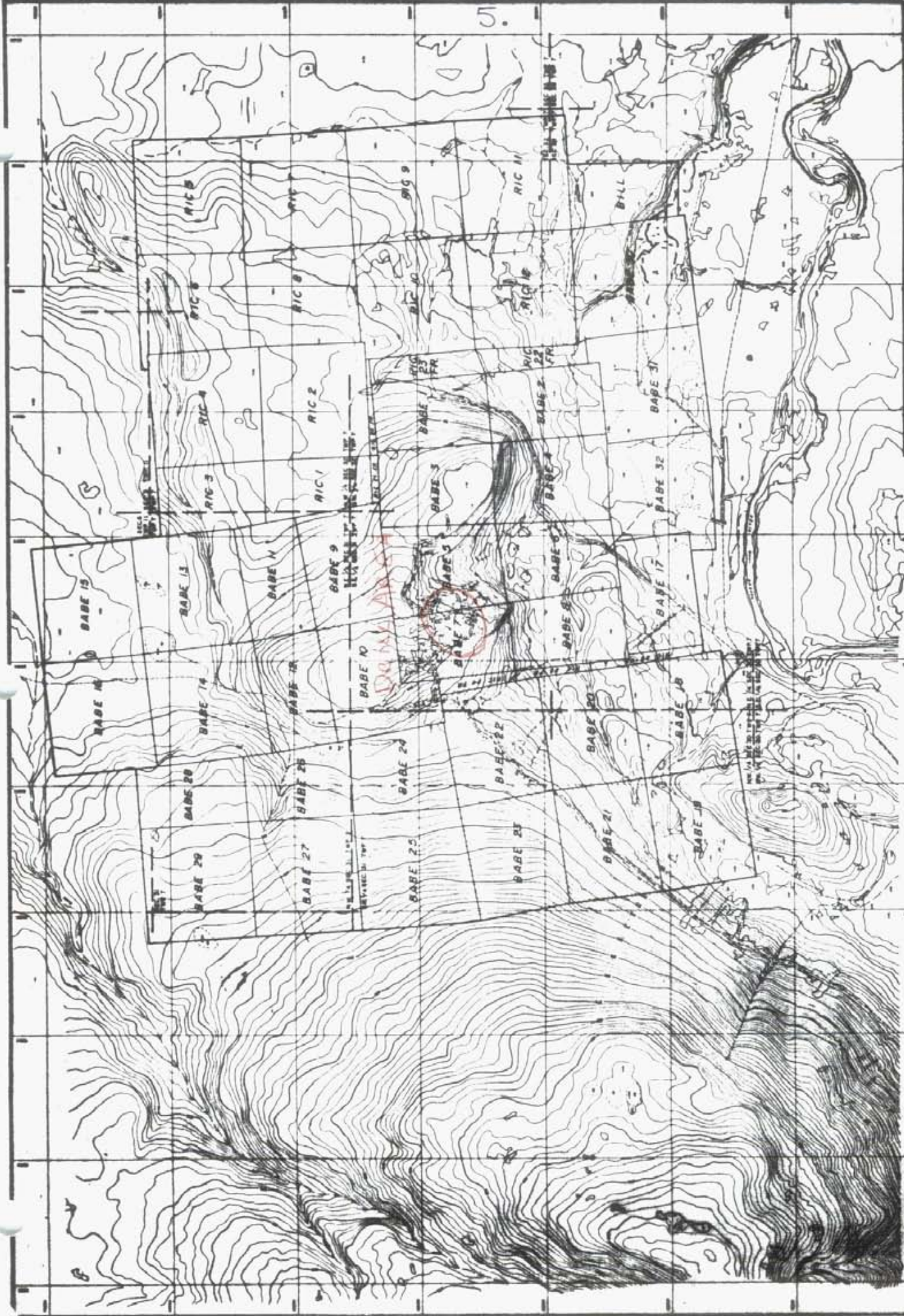
The core was logged by E.A. Ostensoe, consulting geologist, and was assayed at Chemex Labs Ltd. in North Vancouver B.C. All split core is stored at the property.

COST STATEMENT:- The total value of the work to be filed is \$75,000 as per Statement of Exploration and Development filed on March 5, 1985 in Vancouver B.C. We have used \$81.75 per metre for assessment purposes and include invoices to cover the full amount.

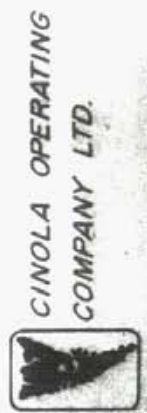
Respectfully submitted by

*K. G. Sanders*

K.G. Sanders, P. Eng.  
May 29, 1985



DRAWN: S.S.  
 CHECKED: S.S.  
 DATE: JUNE / 80  
 APPROVED: S.S.  
 FIGURE NO. 1-3  
 REV. 3



**CINOLA OPERATING  
 COMPANY LTD.**



**MINERAL CLAIM MAP**





6.

GEOLOGICAL BRANCH  
ASSESSMENT REPORT

14,593

**Consolidated Cinola Mines Ltd. — Energy Reserves Canada Ltd. — Joint Venture**

Pg. No. 1 of 2

(Unsurveyed)

**DIAMOND DRILL LOG**

CINOLA PROPERTY

HOLE No. 84-A

METRES NORTH 2886.5

ELEVATION 180 m

BEARING 296°30'

DEPTH 53 m

STARTED Nov. 19, 1984

COMPLETED \_\_\_\_\_

DIP AT COLLAR -45°

174 ft.

DIP AT \_\_\_\_\_

Hor. component 37.5m

METRES EAST 3196

SECTION \_\_\_\_\_

DIP AT \_\_\_\_\_

DRILLED BY CALAR

LOGGED BY E.A.O.

METRES		GRAPHIC	GEOLOGY	ALTERATION					METRES		ASSAYS	
FROM	TO			Si	Sulph.	C	Kaolin	Core Lost	From	To	Au	Ag
0	10.25		Overburden - mud, debris and 40cm to 60cm sections of siliceous mottled rock, possibly rhyolite breccia; some green andesite separated by sections of mud-gravel-sand									
10.25	13.80		Weathered very siliceous dark grey fragmental rock - cherty matrix conglomerate with pyrite. Numerous rusty cross fracture with surface weathering effects, sub-rounded clasts, numerous small vugs. Plant remnants from 12.6 to 13.80	high	mod	mod	mod	8074C	10.25	12	0.044	8074C
13.80	14.86		Quartz veins zone - banded vuggy grey-ivory-cream coloured, short sections of grey cherty rock, some vugs filled with clay, others empty. Banding 25° CA						12	14	0.044	
14.86	15.07		Dark grey angular fragmental chert formation						14	16	0.092	
15.07	16.00		Mixed banded quartz-veins with dark chert. Some box-work/open silica veinlet patterns						16	18	0.108	
16.00	22.55		Dark grey silicified conglomerate - clasts are mostly chert but include rhyolite (ivory-brown), granite, argillite. Much plant fragments at 17.28 to 18.50. clast sizes 3 to 5cm	v. high	mod	mod	low		18	20	0.014	
			2cm mud seam at 17.60 - 17.62						20	22	0.030	
			At 21.73 to 21.86 probable dyke - green porphyritic andesite						22	24	0.047	80750C
22.55	30.78		Very siliceous section - vein quartz in part vuggy and in part brecciated. Short sections, i.e. 10-20 cms, of siliceous sst - mudstone. Very high content of voids from 25.9 to 27.80 with Q xls lining some, also at 28.50 to 28.70; 29.40-30.10						24	26	0.048	80603C
			open box work texture at 29.64 to 29.90. QV 29.90-29.93 - obliquely across core at 25° C.A. silicified sandy bed at 30.23 to 30.48 - small rounded lapilli-like clasts of rhyolite with v.f.gr. black silicified argillite.						26	28	0.026	
30.78	35.62		Q-chalcedonic textures 30.48 to 30.78 with brecciation. Coarse sub-rounded clasts in cherty to sandy matrix. Clasts are between 3 and 5cm dia, and many are pitted - apparently of volcanic origins. Bedd approx perpendicular to CA. A few dioritic pieces. Probable andesite dyke 33.25 to 33.51. Very coarse angular frag sst at 33.56 to 33.74.						28	30	0.065	
			34.40 to 35.60						30	32	0.075	
35.62	37.00		Coarse densely packed conglomeratic with matrix similar to clasts						32	34	0.006	
37.00	38.20		Fine to medium grained sandstone						34	36	0.007	
38.20	40.60		Coarse cal. grading to medium grained cgl. Some plant material. Bedding @ 35° C.A.						36	38	0.068	
			39.85 to 40.60 relatively homogeneous bed of pea-gravel in sandy matrix. Some rhyolitic frags. Silicified.						38	40	0.032	80610C





**Consolidated Cinola Mines Ltd. — Energy Reserves Canada Ltd. — Joint Venture**

Pg. No. 1 of 1

(Unsurveyed)

**DIAMOND DRILL LOG**

CINOLA PROPERTY

HOLE No. 84-5

METRES NORTH 2823N

ELEVATION 192 m.

BEARING 296° 30'

DEPTH 36.88 m

STARTED Nov. 21, 1934

COMPLETED \_\_\_\_\_

DIP AT 0m -45°

121 ft

DIP AT \_\_\_\_\_

DIP AT \_\_\_\_\_

METRES EAST 3083E

SECTION \_\_\_\_\_

DRILLED BY CORE ENT.

LOGGED BY E.A.O.

METRES		GRAPHIC	GEOLOGY	ALTERATION					METRES		ASSAYS	
FROM	TO			Si	Sulph.	C	Kaolin	Core Lost	From	To	Au	Ag
0	0.8		Overburden					0.6	0.8	2	0.054	80551C
0.8	2.0		Rust-stained fragmental formation. Light grey, subrounded particles up to 2cm diameter. Strongly pyritic. Vuggy. Possibly tuff. Some siliceous grains - possibly rhyolite.					0.1	2	4	0.048	
2.0	4.52		As above but less weathered. Very coarse heterogeneous cgl. Bedding is weakly expressed. Core is pitted with vugs. Pyrite is present as very finely divided grains, occasionally as rounded clasts 3mm dia. Coal/plant remains at 4.20-4.52	Mod.	1-2%	minor	minor		4	6	0.047	
4.52	5.23		Quartz vein with wall rock breccia pieces. Druses. White and orange discoloration - clay minerals fill pits and other small cavities	v. high	traces	nil	2%		6	8	0.055	
5.23	10.95		Coarse conglomerate - subrounded clasts up to 6 to 10cm dia. in matrix of silica, pyrite and argillaceous fragments, some coaly wood pieces. Clasts are mixed - sandstone, rhyolite fs porphyry, diorite (?). Some drusy vugs 3cm dia. Qtz vein at 7.23 - 7.46 metres. and 8.33 - 8.56 m	high	up to 10%	minor	minor		8	10	0.044	
			Mixed qtz and brecciated argillite seds. to 8.84m						10	12	0.073	
10.95	13.72		Very strongly silicified argillite with narrow rhyolite tuff bands, much drusy chalcocyanic quartz in banded ribbon veinlets with voids. Narrow sections of argillite matrix contain 20-30% pyrite. Overall pattern is mixed grey-white-black rock.						12	14	0.079	
13.72	27.50		Rhyolite breccia - grey and mottled grey-white much of silica. May be a lapilli tuff formation. Few v. narrow dark brown argillite sections - totally silicified. Voids are irregularly distributed - create a crusty appearance. Some sections are siliceous argillite breccia						14	16	0.038	
27.50	28.30		Dense dark argillite - homogeneous texture, narrow pyritic layers.						16	18	0.076	
28.30	34.25		Compact black pyritic mud - as above but not silicified very soft spongy mud						18	20	0.065	
34.25	36.05		Brecciated siliceous dk brown argillite. Fragments are in-filled with drusy vein quartz - chalcocyanic						20	22	0.055	
36.05	36.88		Very pale green-grey rhyolite - crosscut by 2-4mm wide drusy Q veinlets. Crackle pattern.						22	24	0.053	
			E.O.H						24	26	0.022	
									26	28	0.018	
									28	30	0.008	
									30	32	<0.002	
									32	34	<0.002	80567C
									34	36	0.012	80601C
									36	36.88	0.014	80602C



**Consolidated Cinola Mines Ltd. — Energy Reserves Canada Ltd. — Joint Venture**

Pg. No. 1 of 1

(Unsurveyed)

**DIAMOND DRILL LOG**

CINOLA PROPERTY

HOLE No. 84-6

METRES NORTH 2811.5

ELEVATION 187 m

BEARING 296°30'

DEPTH 46 m

STARTED Nov. 1984

COMPLETED

DIP AT COLLAR -45°

151 ft

DIP AT

DIP AT

METRES EAST 3104

SECTION

DRILLED BY CORE ENT.

LOGGED BY E.A.O.

METRES		GRAPHIC	GEOLOGY	ALTERATION					METRES		ASSAYS	
FROM	TO			Si	Sulph.	C	Kaolin	Core Lost	From	To	Au	Ag
0	1.52		Overburden.					0.5	1.52	4	0.045	80618C
1.52	4.16		Weathered orange-stained fragmental-silicified agglomeratic formation with clasts up to 5cm dia. Some rhyolite fragments. In part strongly pyritic	v high	high	low	high		4	6	0.046	
4.16	8.00		Continuation of above without as much weathering and fracturing. Plant matter present as large clasts. Strongly pyritic at 6.00 to 6.50 - plants associated						6	8	0.098	
8.00	10.00		Vein (?) quartz at 6.87 to 7.25 with black silicified arg. coarse mixture of dioritic appearing clasts; much finer material. All silicified. Porphyritic clasts to 4cm. May be a mixed ash-fall-lapilli formation.	High	mod	mod	mod		8	10	0.056	
10.00	14.78		Mixed siliceous cherty conglomerate - very heterogeneous varies from coarse to v. gr. in very short distances. Clasts are angular. Some sections contain pyritic mud/chert					0.46	10	12	0.106	
14.78	23.60		Pale coloured coarse rhyolitic-tuffaceous conglomerate with short sections of silicified argillite, sandstone. Occasional plant fragments and narrow QVs. Bedding at 65° C.A	high	mod	mod			12	14	0.134	
23.60	23.80		Black argillite - in part brecciated					0.40	14	16	0.053	
23.80	23.86		Quartz vein						16	18	0.178	
23.86	26.68		Fragmental rock - sub-rounded coarse cherts, some finely banded argillite-sandstone - completely silicified. Cut by chalcidonic vein quartz including voids and brown quartz; narrow veinlets of granular pyrite/marcasite - framboidal textures, also tiny seams, disseminated grains and short sections with as much as 30% sulphides.	v high	high	low			18	20	0.178	
26.68	29.95		Crushed brecciated rhyolite mixed with argillite and much vein quartz, pyrite layers up to 1cm wide. Numerous dusty quartz-filled vugs. Banding almost perpendicular to chert	v high	mod.	low			20	22	0.069	
29.95	37.30	↑ insert	Rhyolite - with brecciation textures but little evidence of movement. Much quartz. Green rhyolite.						22	24	0.066	
37.30	43.50		Mixed white vein quartz and black cherty argillite, large proportion of voids.						24	26	0.084	80629C
43.50	46.		Continuation of above but increasing amounts of whitish-grey rhyolite in crushed angular fragments. Contrast of colours is particularly noticeable. Rhyolite is about 30% maximum.						26	28	0.055	
			E.O.H.						28	30	0.121	
			25.2x 36.60 Fine + medium angular conglomerate. Bedding ⊥ CA						30	32	0.100	
									32	34	0.152	
									34	36	0.122	
									36	38	0.116	
									38	40	0.034	
									40	42	0.055	
									42	44	0.080	
									44	46	0.068	80639C

**Consolidated Cinola Mines Ltd. — Energy Reserves Canada Ltd. — Joint Venture**

Pg. No. / of 2

(Unsurveyed)

**DIAMOND DRILL LOG**

CINOLA PROPERTY

HOLE No. 84-7

METRES NORTH 2855N

ELEVATION 161 m.

BEARING 29°30'

DEPTH 54.86 m

STARTED Nov. 26, 1984

COMPLETED \_\_\_\_\_

DIP AT collar -45°

180 ft.

DIP AT \_\_\_\_\_

DIP AT \_\_\_\_\_

METRES EAST 3265E

SECTION \_\_\_\_\_

DRILLED BY CAJAR

LOGGED BY EAO

METRES		GRAPHIC	GEOLOGY	ALTERATION					METRES		ASSAYS	
FROM	TO			Si	Sulph.	C	Kaolin	Core Lost	From	To	Au	Ag
0	1		Overburden. Casing to 122.					0.6	0	2	0.024	8064DC
1	8.90		Coarse v. siliceous mudstone conglomerate. Grey mottled patterns. Fragments are sub-rounded to sub-angular. Some clasts are completely kaolinized - originally were granitic cobbles. Bedding is somewhat disorganized. At 4m - ~55° A.C.A.	High	minor	minor	patchy		2	4	0.010	
									4	6	0.024	
									6	8	0.018	
									8	10	0.082	
									10	12	0.055	
									12	14	0.064	
8.90	16.15		Heterogeneous sedimentary sequence - clasts include much lignite, rhyolite, argillite-chert, granite (?). Some dark brown coalified tree pieces are 6 to 8 cm wide with prominent growth rings. Some vugs but only a few seams of vein quartz. Bedding between 60° and 80° A.C.A. Some sandy and silty beds. Possibly rhyolite chips at 15.90-16.08.						14	16	0.141	
									16	18	0.110	
									18	20	0.088	
16.15	17.00		Massive white vein quartz cut by lines dark grey to black coloured argillite seams. Numerous open vugs lined with quartz. Minor amounts of sulphides.									
17.00	17.88		Continuation of vein quartz with about 50% argillite chert. Ribbing pattern of chalcedonic quartz. Some brecciation. Minor amounts of sulphide minerals.									
17.88	22.35		Very heterogeneous sections of sandy beds, chert fragments - angular, rhyolite fragments, plant fragments. Some very dense, dark grey chert or very siliceous (silicified?) sandstone. Clasts up to 3 cm diameter. Some breccia textures. Occ'l pockets of kaolinite. Cross bedding.	V. high	mod.	mod.	minor					
			Fine grained section - sandstone - siltstone.						20	22	0.156	8065DC
22.35	22.90		Sub-angular "chips" of mudstone and chert. Similar to 17.88-22.35.					0.20	22	24	0.142	27751E
	25.95		Fine grained arenite, cross bedding, laminated Chalcedonic quartz at 28.04 - 28.15.					0.20	24	26	0.065	
			Return to variable textured sandstone series - including siltstone, coarse sand and cgl. In part porous vugs.						26	28	0.072	
31.01	36.45		Vein quartz - massive 36.70 - 38.00 then very irregular sub-parallel to core axis - druse textures - with argillite.						28	30	0.054	
			Siliceous fragmental mudstone with chalcedonic quartz, some rhyolite clasts, some pitted weathered granitic clasts. Petrified wood. Fine q. pyrite.						30	32	0.157	
36.45	38.65		Bedding 70° A.C.A.						32	34	0.176	
									34	36	0.035	
38.65	39.45								36	38	0.042	
39.45	44.50							0.10	38	40	0.076	



















**Consolidated Cinola Mines Ltd. — Energy Reserves Canada Ltd. — Joint Venture**

Pg. No. 2 of 3

**DIAMOND DRILL LOG**

CINOLA PROPERTY

HOLE No. 84-11

METRES NORTH \_\_\_\_\_

ELEVATION \_\_\_\_\_

BEARING \_\_\_\_\_

DEPTH \_\_\_\_\_

STARTED \_\_\_\_\_

COMPLETED \_\_\_\_\_

METRES EAST \_\_\_\_\_

SECTION \_\_\_\_\_

DIP AT \_\_\_\_\_

DIP AT \_\_\_\_\_

DIP AT \_\_\_\_\_

DRILLED BY \_\_\_\_\_

LOGGED BY \_\_\_\_\_

METRES		GRAPHIC	GEOLOGY	ALTERATION					METRES		ASSAYS	
FROM	TO			Si	Sulph.	C	Kaolin	Core Lost	From	To	Au	Ag
	45.05		40.00 - 41.52 Mostly white and bluish white quartz - few vugs						38	40	0.040	30402E
			Conglomerate persists to 44.90 - 45.05. Chalcedonic QV at 43.18 at 50° CA and at 44.00 at 48° CA					0.10	40	42	0.503	
									42	44	0.042	
								1.56	44	46	0.435	
45.05	47.92		Change to light beige-grey sandstone and breccia strong chalcedonic quartz at 45.25 to 45.36 followed by broken core with losses in cherty and broken formation and very little recovery from 46.02 to 47.85 - rock is a grey coloured spongy material - a siliceous sinter or travertine.						46	48	0.024	
									48	50	0.055	
									50	52	0.028	
									52	54	0.028	
									54	56	0.028	
									56	58	0.020	
47.92	67.30		Abrupt change to lignitic brown sandstone. Evidence of channelling at contact with several percent marcasite/pyrite. Chalcedonic bluish quartz at 48.40 to 49.00 - pyritic and vuggy. Followed by cyclical (?) sandstone - conglomerate grey and white with purraceous fragments and rhyolitic clasts, mudstone pieces, minor lignite, crude bedding. Sections of very heavy pyrite/marcasite ore to four cms wide. Coarse roundstone conglomerate between 50.45 and 52.00. Brown debris sandstone to 53.65 - with silica bands. 53.65 is top of another roundstone cycle - with much silicification at least in upper part to about 53.90. Bedding: 58° to 64° CA. Much sulphide - mostly in matrix.						58	60	0.018	
			QV - 55.10 - 55.51						60	62	0.170	
			60.45 - 61.						62	64	0.020	
			61.30 - angular breccia supported by white VQ. to 61.65						64	66	0.018	
			Has more massive brown-white quartz to 62.32 core losses						66	68	0.012	
			At 66 broken core followed by very corroded porous conglomerate with light grey brown clasts and sandy matrix supported by VQ. stockwork to 67.30						68	70	0.012	
67.30			light brown mudstone with patches of marcasite in rhythmic cycles - coarse beds have clasts of rhyolite porphyry up to 1.5 cm diameter. QV's at 72.79 to 72.87.						70	72	0.055	
			Wood pieces up to 5 cm wide, occasionally up to 8 cm.						72	74	0.035	
			QV 75.72 to 76.33 - includes much silicified rhyolite clast conglomerate - ss.						74	76	0.024	
			At 82m - Bedding: 65° CA.						76	78	0.022	
									78	80	0.006	
									80	82	0.006	
									82	84	0.064	30424E
									84	86	0.014	
									86	88	0.016	
									88	90.52	0.280	30427E







DIAMOND DRILL LOG

CINOLA PROPERTY

HOLE No. 84-12

Pg. No. 2 of 2

METRES NORTH \_\_\_\_\_ ELEVATION \_\_\_\_\_ BEARING \_\_\_\_\_ DEPTH \_\_\_\_\_ STARTED \_\_\_\_\_ COMPLETED \_\_\_\_\_

DIP AT \_\_\_\_\_

DIP AT \_\_\_\_\_

DIP AT \_\_\_\_\_

METRES EAST \_\_\_\_\_ SECTION \_\_\_\_\_ DRILLED BY \_\_\_\_\_ LOGGED BY \_\_\_\_\_

METRES		GRAPHIC	GEOLOGY	ALTERATION					METRES		ASSAYS		
FROM	TO			Si	Sulph.	C	Kaolin	Core Lost	From	To	Au	Ag	
27.85	30		Very silicified conglomerate with light coloured clasts in overall grey coloured rock, short sandstone sections with brown debris. Vein quartz and grey-blue siliceous matrix. Occasional vuggy sections. Clasts vary from pumiceous, dark to tuffaceous, light, kaolinized types, cherty fragments, few dioritic pieces and numerous rhyolite chips. Bed of sandstone at 32.84 to 33.50 - bedding 45° CA. also 35.06 to 35.35. Increase in amount of pyrite 39.00 - 39.44 Vuggy grey-white quartz 41.02 - 41.26 Congl. continues to 42.60 - increasingly light coloured - porphyritic clasts - white phenocrysts - light grey matrix also rhyolite.						28	30	0.053	30.322E	
30	42.60									30	32	0.322	
										32	34	0.009	
										34	36	0.028	
										36	38	0.021	
										38	40	0.012	
										40	42	0.018	
										42	44	0.016	
										44	46	0.005	
										46	48	0.020	3E
									48	50	0.008		
									50	52	0.021		
									52	54	0.017		
									54	56	0.015		
									56	58	0.017		
									58	60	0.015		
42.60	46.65		Debris sandstone to 43.00 then passing from brown laminated into light brown angular fragment rhyolite porphyry chip conglomerate - pieces less than 1cm dia. pyritised up to 3%. Vein quartz - brown - white - bluish - some contorted chalcocenic banding.										
	46.65												
46.65	47.52												
47.52	51.40		Debris sandstone similar to 42.60 - 46.65 coarser fragments. V.Q. 51.18 - 51.40 - Vugs and pyrite.										
	51.40												
51.40	52.35		Mixed conglomerate - round fragments - mostly granite textured clasts. V.Q. 52.20 to 52.35										
	52.35												
52.35	53.84		Black sandstone v. 1 m, vaguely laminated, some micaceous becomes lighter coloured toward lower contact. Coarse roundstone to subroundstone conglomerate - few v. Mixed clasts including rhyolite porphyry some lapilli 3 to 7cm dia. V.Q. 59.70 - 59.89										
53.84	60.95												

EOH



























Consolidated Cinola Mines Ltd. — Energy Reserves Canada Ltd. — Joint Venture

DIAMOND DRILL LOG

CINOLA PROPERTY

HOLE No 84-16

Pg No 3 of 3

METRES NORTH

ELEVATION

BEARING

DEPTH

STARTED

COMPLETED

METRES EAST

SECTION

DIP AT

DRILLED BY

LOGGED BY

METRES		GRAPHIC	GEOLOGY	ALTERATION					METRES		ASSAYS	
FROM	TO			Si	Sulph.	C	Kaolin	Core Lost	From	To	Au	Ag
62.06	62.87		Rhyolite porphyry breccia chyp conglomerate in cherty siliceous matrix. Light coloured unit. Includes white VQ lapilli tuff particles.						66	68	0.130	
									68	70	0.026	
									70	72	0.053	
								0.50	72	74	0.026	
63.09	64.44		Very broken QU with much core lost.					0.60	74	76	0.050	
									76	78	0.070	
64.44	92.76		Dark grey to black coloured silicified argillite and conglomerate with much VQ and several v. short sections of same unit as 62.06-62.87. Mostly silica.						78	80	0.026	
			At 69-63 to 69.40 section of rhyolite porphyry mud(?) with angular clasts up to 4mm diameter sandwiched by VQ						80	82	0.038	
			70-71.36 - similar to above - rhyolite "mud"						82	84	0.044	
			71.82 - 73.40 brecciated rhyolite porphyry with patches of marcasite/pyrite - very strongly silicified						84	86	0.028	
			73.40 - start of very strongly broken section - rusty, angular fragments with mud seams and substantial core losses						86	88	0.034	
									88	90	0.065	
									90	92	0.082	
									92	94	0.088	
									94	96	0.038	
									96	98	0.050	
									98	100.88	0.034	30383E
			Rhyolite formation continues to 76-79m area - about 50% vein quartz and 50% rhyolite and silicified rhyolite - only minor argillic-chert sections. At 74.67 - Reading 66 CA									
			Rhyolite is brecciated and filled with Q - pyrite veinlets. Some coarse Q crystals in cavities. Up to 81.60 - unit becomes increasingly argillic with quartz veinlets rather than veins. Numerous cavities. Then returns to rhyolite breccia with various textures and some pyrite, minor argillite.									
			Breccia continues to 92.76 with much dark and argillic sections. Coarse pyrite 89.73 to 90.12									
			Rhyolite is mixed with chert at 92.76 contact or bedding 57 CA									
72.74	96.00		Black siliceous mudstone-siltstone. Short brecciated sections, including some rhyolite bxa frags.									
96	100.88		Very fine grained pale grey rhyolite porphyry increasingly brecciated and silicified from 97.08.									

E-04













CALAR DEVELOPMENTS LTD.

TO: CONSOLIDATED CINOLA  
 440 - 625 HOWE ST.  
 VANCOUVER, B.C.  
 V6C 2T6

Jan 9/85

MOBILIZATION

One Truck and Drill	P. Rupert - Skidegate Return	\$340.00
Fare	One Man	\$24.00
Moving Equipment In and Out		\$560.00

TRAVEL TIME

Three Men	16 hrs = 48 x \$13.50	\$648.00
Five Men	16 hrs = 80 x \$10.00	\$800.00
PWA Ticket		\$159.00
PWA Freight	#06647550	\$32.54
PWA Freight	#06278985	\$28.25
Delivery		\$10.25
Groceries		\$12.52

Hole 84-4	174 ft	\$4,872.00
Setting Up	16 Man Hours	\$188.00
Hole 84-5	121 ft	\$3,388.00
Setting Up	20 Man Hours	\$235.00
Hole 84-6	151 ft	\$4,228.00
Setting Up	29 Man Hours	\$482.50
Hole 84-7	180 ft	\$5,040.00
Setting Up	16 Man Hours	\$188.00
Hole 84-8	181 ft	\$5,068.00
Setting Up	19 Man Hours	\$221.50
Hole 84-9	262 ft	\$7,336.00
Setting Up	19 Man Hours	\$211.50
Hole 84-10	130 ft	\$3,640.00
Setting Up	24 Man Hours	\$282.00
Hole 84-11	297 ft	\$8,316.00
Setting Up	24 Man Hours	\$282.00
Hole 84-12	200 ft	\$5,600.00
Setting Up	28 Man Hours	\$336.00
Hole 84-13	200 ft	\$5,600.00
Setting Up	37 Man Hours	\$433.00
Hole 84-14	231 ft	\$6,468.00
Setting Up	20 Man Hours	\$235.00
Hole 84-15	217 ft	\$6,076.00
Setting Up	19 Man Hours	\$228.50
Hole 84-16	331 ft	\$9,268.00
Setting Up	18 Man Hours	\$215.00
Hole 84-17	335 ft	\$9,380.00
Setting Up	34 Man Hours	\$403.00
Water Line	55 Man Hours	\$550.00

*Phot and*

*W.S.*

TOTAL \$91,385.56

Credit 36,072.19

\$5,313.37

~~30,000.00~~

25,313.37

*Bel Jan 16/85*



37.

CINOLA OPERATING COMPANY LTD.

STL. 440 - 825 HOWE STREET  
VANCOUVER, B.C. V5B 3C8

№ 265

Jan 15 1985

PAY Thirty Thousand DOLLARS \$ 30,000.00

TO THE ORDER OF

Calar Developments

CINOLA OPERATING COMPANY LTD.

THE TORONTO-DOMINION BANK

839 W. HASTINGS AT HORNBY STS.  
VANCOUVER, B.C. V6C 1C5

NOT NEGOTIABLE

⑆95280⑉004⑆ 0975⑉0401122⑆

CINOLA OPERATING COMPANY LTD.

DATE	DESCRIPTION	AMOUNT
Jan 16/85	On Account Drilling	30,000.00

CINOLA OPERATING COMPANY LTD.

STL. 440 - 825 HOWE STREET  
VANCOUVER, B.C. V5B 3C8

№ 181

Dec 11th 1984

PAY Sixty Thousand DOLLARS \$ 60,000.00

TO THE ORDER OF

Calar Developments

CINOLA OPERATING COMPANY LTD.

THE TORONTO-DOMINION BANK

839 W. HASTINGS AT HORNBY STS.  
VANCOUVER, B.C. V6C 1C5

NOT NEGOTIABLE

⑆95280⑉004⑆ 0975⑉0401122⑆

CINOLA OPERATING COMPANY LTD.

DATE	DESCRIPTION	AMOUNT
Dec 11/84	Payment for advance drilling (contract)	\$60,000.00

*K.S.*

ENGINEERS STATEMENT

I am a professional engineer registered in the Association of Professional Engineers of B.C.

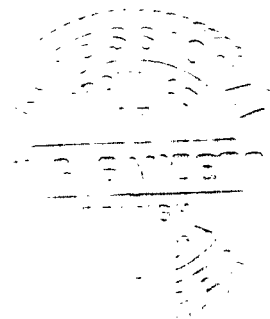
At the time of the drill program covered in this report I was president of Consolidated Cinola Mines Ltd. one of the owners of the mineral claims. The company's address is 440 - 625 Howe Street, Vancouver B.C. V6C 2T6.

I have been professionally employed in the mining industry for 35 years. The drilling covered in this report was supervised by E.A. Ostensoe, a consulting geologist of 24 years experience. His certification statement is included herein. I have known Mr. Ostensoe for 25 years and recommended him for the assignment.

*K. G. Sanders*

K.G. Sanders, P. Eng.

May 29, 1985  
Vancouver B.C.

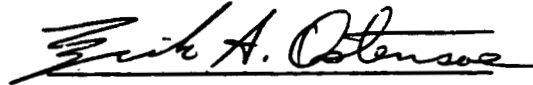


CERTIFICATION

I, Erik A. Ostensoe, a consulting geologist with office and residence in Vancouver, British Columbia certify that:

1. I am a 1960 B.Sc. (Honours Geology) graduate of the University of British Columbia and I have worked as a mineral exploration geologist for twenty-four years.
2. I am a Fellow in good standing of the Geological Association of Canada and a member in good standing of the Canadian Institute of Mining and Metallurgy and the Association of Exploration Geochemists.
3. I personally supervised the program of diamond drilling discussed in the accompanying report and I have reviewed several published and private reports that pertain to the Cinola gold deposit.

January 15, 1985.



Erik A. Ostensoe, geologist