

86-653-15145
10187



Province of
British Columbia

Ministry of
Energy, Mines and
Petroleum Resources

ASSESSMENT REPORT
TITLE PAGE AND SUMMARY

TYPE OF REPORT/SURVEY(S) GEOLOGICAL - Geochemical	TOTAL COST \$ 1803.50
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AUTHOR(S) T.E.Lisle, P.Eng SIGNATURE(S) *T.E. Lisle*

DATE STATEMENT OF EXPLORATION AND DEVELOPMENT FILED Oct. 29 1986 YEAR OF WORK 1986

PROPERTY NAME(S) Virginia K :AM.

COMMODITIES PRESENT Silver, Lead, Zinc, Copper, Gold.

B.C. MINERAL INVENTORY NUMBER(S), IF KNOWN 6

MINING DIVISION Skeena NTS 104A/5W

LATITUDE 56°16' LONGITUDE 129°52'

NAMES and NUMBERS of all mineral tenures in good standing (when work was done) that form the property [Examples: TAX 1-4, FIRE 2 (12 units); PHOENIX (Lot 1706); Mineral Lease M 123; Mining or Certified Mining Lease ML 12 (claims involved)]:

Virginia K #1; Star #2 Fr.; Virginia K Extension #'s 4,5,6,; Virginia K #3 and 3Fr.
Virginia K #2; Star #3 Fr.
AM 1 to 4 18 units each, AM 5 8 units.

OWNER(S)
(1) Komody Resources Ltd. (2) GEOLOGICAL BRANCH ASSESSMENT REPORT

MAILING ADDRESS

OPERATOR(S) (that is, Company paying for the work)
(1) Square Gold Explorations Inc. (2) 15,145

MAILING ADDRESS
1108-409 Granville Street
Vancouver, B.C. V6C-1T2

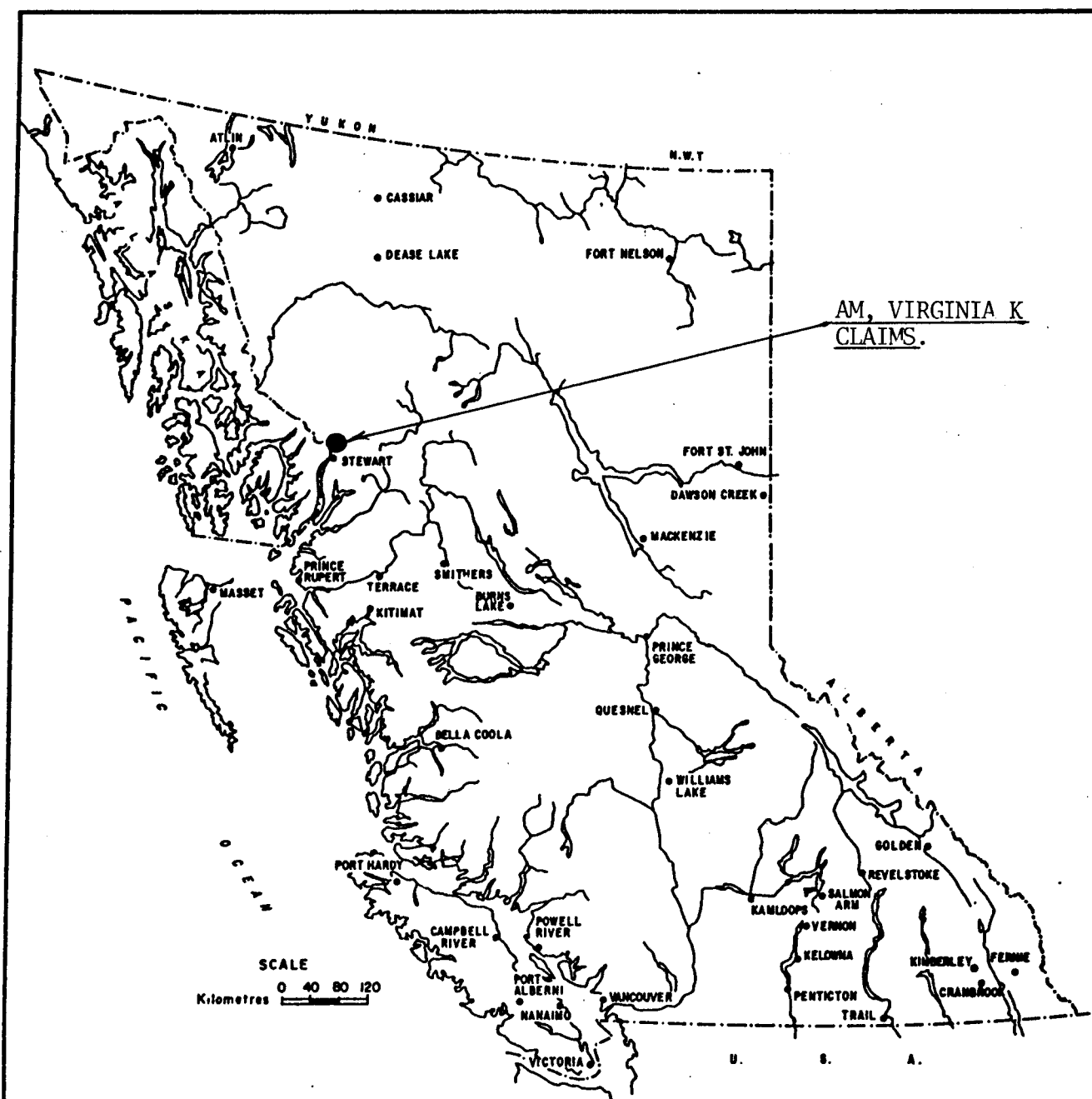
SUMMARY GEOLOGY (lithology, age, structure, alteration, mineralization, size, and attitude):
Deformed argillite, limestone and tuff of the Hazelton Group, are intruded by green felsic dykes of granodiorite composition, that are locally bleached. Galena, pyrite, tetrahedrite and less chalcopyrite occur associated with quartz and calcite in fractures, bedding fractures shears and fissures. Native gold, silver and rare electrum have also been reported.

REFERENCES TO PREVIOUS WORK E.W.Grove., BCDM Bulletin 58.
Private Report by W.D.Groves for Territorial Petroleum Ventures, June 1986.
Report for Excelsior Prospecting Syndicate by J.A. Mitchell, 1936.

(over)

FILMED

TYPE OF WORK IN THIS REPORT	EXTENT OF WORK (IN METRIC UNITS)	ON WHICH CLAIMS	COST APPORTIONED
GEOLOGICAL (scale, area)			
Ground	3 claims. (RCG)	Virginia K #3, and 3Fr. and #5. ?	\$1,426.50
Photo			
GEOPHYSICAL (line-kilometres)			
Ground			
Magnetic			
Electromagnetic			
Induced Polarization			
Radiometric			
Seismic			
Other			
Airborne			
GEOCHEMICAL (number of samples analysed for)	32	AM 3	377.00
Soil			
Silt			
Rock			
Other			
DRILLING (total metres; number of holes, size)			
Core			
Non-core			
RELATED TECHNICAL			
Sampling/assaying			
Petrographic			
Mineralogic			
Metallurgic			
PROSPECTING (scale, area)			
PREPARATORY/PHYSICAL			
Legal surveys (scale, area)			
Topographic (scale, area)			
Photogrammetric (scale, area)			
Line/grid (kilometres)			
Road, local access (kilometres)			
Trench (metres)			
Underground (metres)			



LOCATION MAP
VIRGINIA K GROUP MINERAL CLAIMS

FIGURE 1

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OCT 29 1986

M.R. # \$

VANCOUVER, B.C.

INTRODUCTION.

1) The Virginia K group of mineral claims is located in the American Creek drainage about 40 kilometers north of Stewart in the Skeena Mining Division. Access to the claims is currently by helicopter from Stewart, British Columbia.

11) The Virginia K Group covers the following claims :
Virginia K #1, Star Fraction #2; Virginia K Extension 4,5,6.
Virginia K Fraction #3; Virginia K #2,#3, Star Fr. #3.

The claims are owned by Komody Resources Ltd of Vancouver, and are under option to Square Gold Explorations Inc of Vancouver.

The Virginia and related properties were initially staked in 1929. A number of showings of quartz-calcite veins and stringers mineralized with pyrite, galena and minor tetrahedrite, sphalerite and chalcopyrite have been investigated by a number of pits, trenches and short adits.

111) Part of September 5 and 9th, and September 11, 1986 were spent on the claims. Thirty-two soil samples were collected from the AM 3 claim. Old trenches, pits and adits were relocated, and six samples were taken from the points noted on Figure 3. This work was part of a larger program carried out mainly on the west side of American Creek between August 2, 1986 and September 15, 1986. Much of the data from this work will likely be filed for assessment.

LOCATION AND ACCESS.

The Virginia K Group of claims lie mainly on the lower east flank of American creek near the south end of Kimball Lake. Approximate Latitude 56°16', Longitude 129°52' NTS 104A/5W.

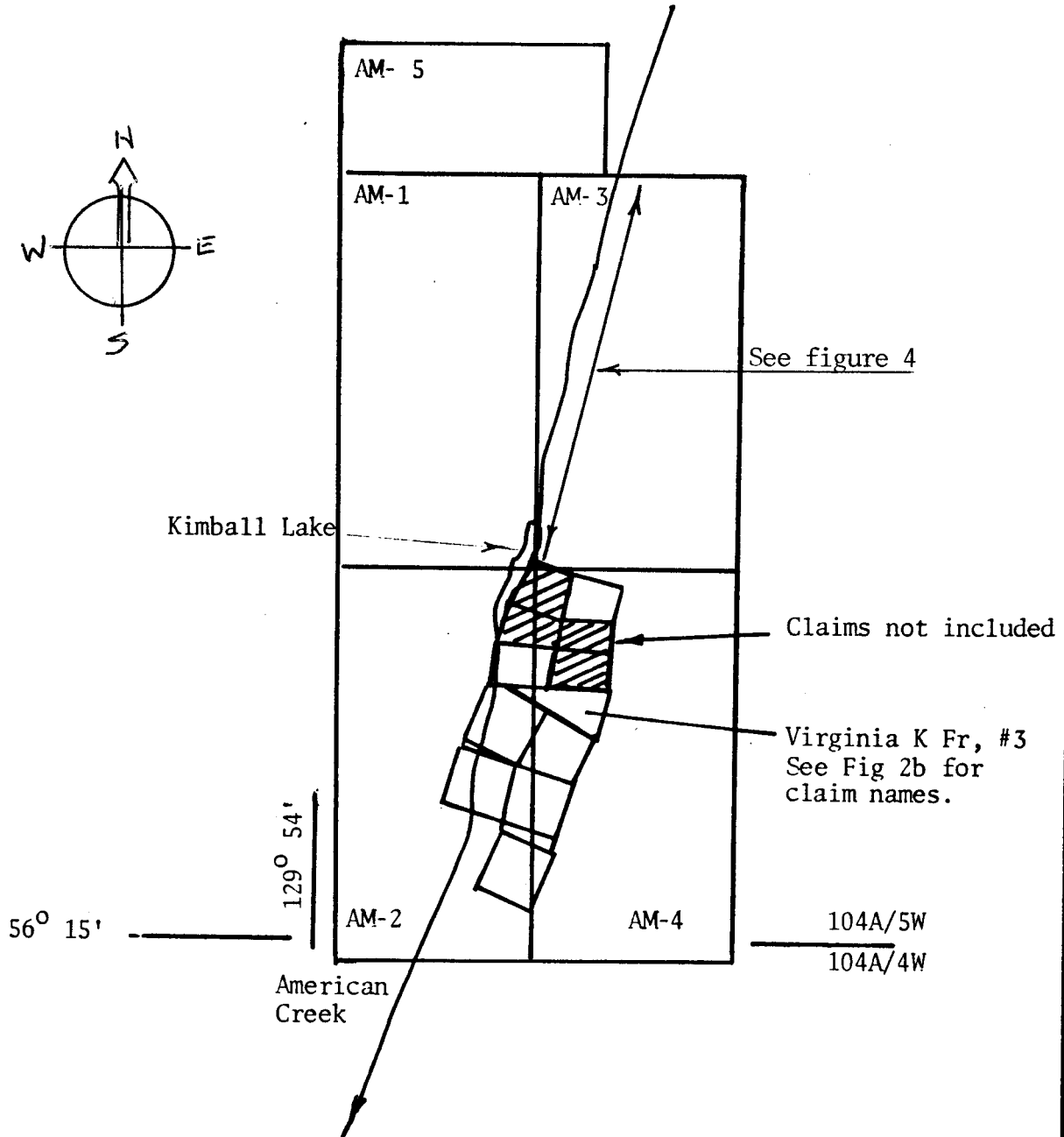
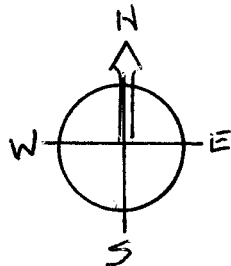
Elevations range from about 914 to 1370 meters above sea-level. Much of the upper slopes are covered with glaciers and permanent snow-fields. The lower slopes are mainly free of snow in late August, and while snow showers do occur in September, a work season could likely continue well into October.

Access to the claims is currently by helicopter from Stewart, approximately 40 kilometers to the south.

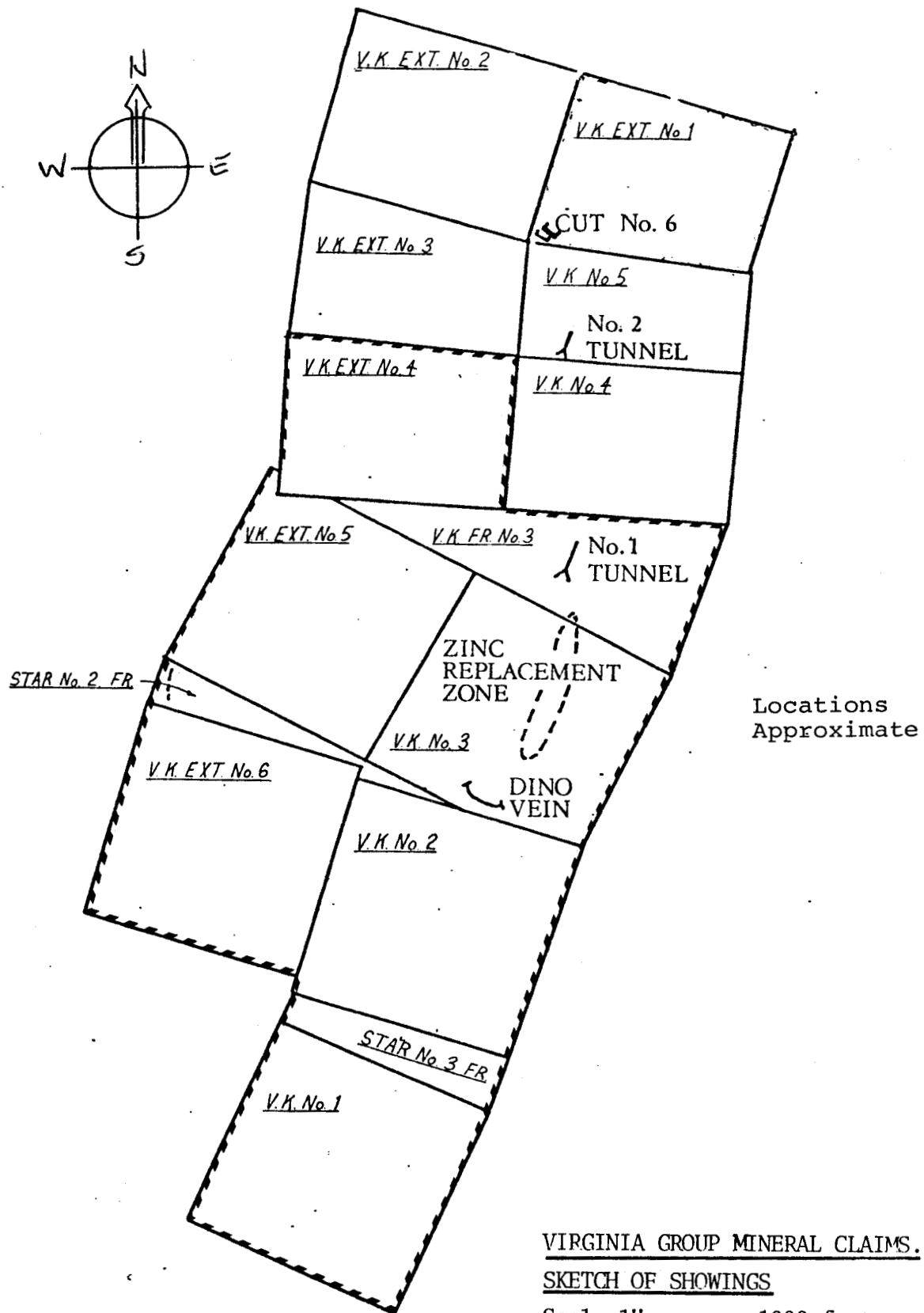
PROPERTY.

The American Creek Property investigated in the summer program includes the following claims recorded in the Skeena Mining Division:

<u>Claim</u>	<u>Record No.</u>	<u>Anniversary</u>	<u>Group.</u>
Virginia K #1	2298(5)	May 27 /89	Virginia K
Star Fr. #2	328(10)	October 1/86	Virginia K
Virginia K #2	1973(1)	January14/87	"
Virginia K #3	1972(1)	January14/87	"
Virginia K Ext.# 4	1970(1)	January14/91	"
Virginia K Ext.# 5	1969(01)	January14/87	"
Virginia K Ext.# 6	1967(01)	January14/87	"
Virginia K Fr. # 3	1971(1)	January14/87	"
Star Fr. #3	1974(1)	January14/87	"
Virginia K Ext#1	5483(8)	August 18/87	
AM 1 18 units	5332(4)	April 22/87	
AM 2 18 units	5333(4)	April 22/87	
AM 3 18 units	5528(9)	Sept. 26/87	
AM 4 18 units	5529(9)	Sept. 26/87	
AM 5 8 units	5530(9)	Sept. 26/87	



SQUARE GOLD EXPLORATIONS INC.
VIRGINIA K CLAIM GROUP,
SKEENA MINING DIVISION.
1:50,000 Figure 2A



VIRGINIA GROUP MINERAL CLAIMS.

SKETCH OF SHOWINGS

Scale 1" approx. 1000 feet.

(After Groves, 1986)

Figure 2b.

HISTORY.

The property was discovered by D.D.Kimball, in 1929. The Excellior Prospecting Syndicate was formed the same year, and in 1931 they located two zones of mineralization about 1500 feet apart at the contact between 'quartz-feldspar porphyry and calcareous argillite', that carried significant silver-lead assays and locally gold and copper. Between 1932 and 1937, a number of pits, trenches and two ? short adits were completed on the showings.

W.D.Groves PhD, P.Eng, undertook a four day examination of the property for Komody Resources Limited in 1980 and this led to the extraction of a 1500 lb. bulk sample that graded 182 opt silver. The property appears to have been largely inactive since that time.

WORK PROGRAM.

On September 5th, 9th and 11th, 1986, the author, along with an assistant, spent time collecting geochemical samples; prospecting; and examining and sampling the main showings that had been identified on the Virginia claim group. This work was part of a larger geological program being carried out on mineral occurrences in the upper American Creek area, on claims owned or operated by Square Gold Explorations Inc.

The location of the geochemical work undertaken is shown on the claim-index map accompanying this report. The location of the workings on the Virginia K group of claims is keyed to the Legal Corner Post of The AM 1 to 4 mineral claims on the east side of Kimball Lake. The location of the showings corresponds closely to the locations shown in a report on the area by W.D.Groves P.Eng. dated June 23, 1986. Legally surveyed corner posts to the reverted crown-granted claims have not been identified to date.

GEOLOGY.

The upper section of American Creek is shown of Ministry of Mines, Energy and Petroleum Resources geological maps released in 1982, as being underlain by :

- Unit 12 Unuk River Formation.
Green, red and purple volcanic breccia, conglomerate, sandstone and siltstone, (a); Crystal and Lithic Tuff (b); Sandstone (c); conglomerate (d); Limestone (e); Chert (f); Minor coal (g).
- Unit 13 Betty Creek Formation.
Green, red, Purple and black volcanic breccia.
Conglomerate, sandstone and siltstone (a); Crystal and Lithic tuff (b) Siltstone (c); Minor chert and limestone that includes some lava of unit 14(d).

The upper section of American Creek is shown to follow the course of a regional fault that trends about 014° , and strata on both sides of the fault are deformed.

Preliminary work at the property has shown the area near the workings to be underlain by a grey limestone, black to dark grey argillite, and a green to locally bleached altered rock that has been described as a rhyolite, and a quartz-feldspar porphyry. This rock is similar to a number of green felsic dykes mapped on the west side of the valley that has the composition of granodiorite.

These sedimentary rocks are thought to correlate with argillaceous rocks on the west side of the valley at the lower elevations, that may be part of the lower stratovolcanic assemblage proposed by Aldrick for rocks in the Salmon River Valley to the west.

MINERALIZATION.

Mineralized zones occur within or near areas of buff-coloured carbonate ? alteration that are evident mainly southeast of Kimball Lake. Three areas were examined and sampled. From south to north these include:

- a) Dino vein. The vein is at elevation 3910 feet above sea-level and approximately 900 feet above American Creek, on V.K.#3 claim. The vein occurs within a small exposure of limestone that trends northerly and dips easterly about 72° . About 48 meters to the north, the limestone trends at $115^{\circ}/30S$. Massive rhyolite is reported in exposures to the east (felsic dyke)?, and Groves also reports a massive andesitic dioritic intrusive about 0.5 miles to the south.

This zone produced a 1500 pound sample that graded :Au 0.005 opt; Ag 181.74 opt; Pb 28.38%; Zn 6.91%. from a composite sample of the sacked ore. (Groves, W.D. June 23,1986).

Because of mining, the trace of the fault hosting the vein is partly obscured by debris. Groves reports the vein "...as a vein of highly argentiferous galena from 1 to 6 inches thick on the footwall of a fault overlain by approximately a foot of fault rubble containing lead-zinc mineralization and considerable oxidized material in the limestone. His grab sample the 1.5 foot fault zone assayed: Au. 0.012 opt; Ag. 124.84 opt. Pb. 17.45%, Zn. 2.31%. Four additional samples of different vein material were also reported showing variations in metal content.

Two samples of this area were collected during the reconnaissance program. Sample VK #1 was a chip sample over 0.30 meters of a limonitic, manganese stained vein that appears to branch or radiate away from the trend of the limestone at 125° . The vein contains galena and sphalerite. A second sample was collected from vein material scattered in the debris on the floor of the trench

VK #1	0.30 M chip	Au.0.004 opt;	Ag. 13.98 opt.	Cu. 0.04%,	Pb 6.04%,	Zn 4.94%.
VK #2	Select	Au.0.001 opt;	Ag. 7.06 opt	NA	NA	NA

- b) Number 1 Tunnel.

A short tunnel is located at elevation 3660 feet asl. some 425 meters (belt chain) northerly from the Dino vein. The tunnel appears to follow the east contact of a green felsic dyke that trends about 030° . Rocks within the tunnel and to the east are argillite with a horse of oxidized, bleached felsic dyke. At one point, bedding in the argillite trends $130^{\circ}/70S$, however faulting trending at $060^{\circ}/68NW$ appears to be an important feature to the east of the adit. The zone is not readily traceable due to overburden cover.

Three samples were collected across exposures above or adjacent to the adit on the east. These include :

VK# 3 2.1 meter chip across sheared argillite, weakly mineralized with galena and sphalerite on east side of bleached fragment of felsite.

VK# 4 1.6 meter chip over inclusion ? of bleached felsite.

VK# 5 1.3 meter chip over manganese stained argillite with minor quartz. Zone is mineralized with galena and sphalerite.

VK# 3 2.1 meter Au. 0.001 opt. Ag 1.06 opt. Cu 0.01 Pb 0.54 Zn 1.49

VK# 4 1.6 " Au. 0.001 opt. Ag 0.25 opt.

VK# 5 1.3 " Au. 0.004 opt. Ag 20.27opt. 0.02 1.41 0.67

c) No. 2 tunnel.

This zone was examined and one sample collected. It now appears to be on ground owned by other interests. The sample data is included for completeness. The adit is about 430 meters (belt chain) northerly from the number 1 tunnel. The adit is driven on a bedded fracture ? zone that contains local quartz, galena, chalcopryrite and pyrite.

The zone is manganese stained. The mineralization appears to occur in a zone that trends $320^{\circ}/16\text{NE}$, however the sedimentary rocks (argillite and tuff) on each side of the zone dip from 43° to 59°NE .

The mineralization is locally strong over widths of ± 1 meter, but at present exposure does not appear consistent.

A sample chipped down the face of the zone over 0.80 meters in a better mineralized section yielded:

Au 0.004 opt ; Ag. 24.65 opt. Cu. 0.13 Pb. 0.83 Zn 0.68

Mitchell reports the first 25 feet of tunnel averaged Tr. Au. 17.6 optAg. 0.63% Pb; 2.14% Zn over 49 inches. The last 15 feet over 31 inches averaged 45.5 opt Ag, 1.36% Pb and 1.76% zinc.

GEOCHEMISTRY.

Thirty-two samples were collected from talus fines from the east side of American north of the Legal Corner Post of AM 1 to 4 mineral claims. Some of this material sampled is moraine from a retreating glacier on the northeast side of American Creek, and consequently may have originated some distance from the site.

An analysis of the samples for gold by Atomic Absorbtion techniques revealed a low range of 1 to 33 ppb.

CONCLUSIONS.

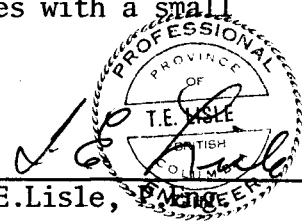
The geochemical work on the east side of American Creek returned a low range of gold assays. Because some of the material sampled may have originated some distance from the sample site, and because some difficulty was encountered collecting samples in the coarse debris, further reconnaissance work should focus on detailed prospecting.

Little effort has been expended in the past in putting the various showings on the Virginia K claims into geological perspective, or in the determination of continuity or size. Like the showings on the west side of the valley, the Virginia K occurrences also appear to have a spatial relationship to the green felsic dykes.

The grades of mineralization of the sampled showings are sufficiently attractive to warrant a more detailed assessment. This could be initially accomplished by linking the zones with a small grid and carrying out geological related surveys.

October 19, 1986

T.E.Lisle,



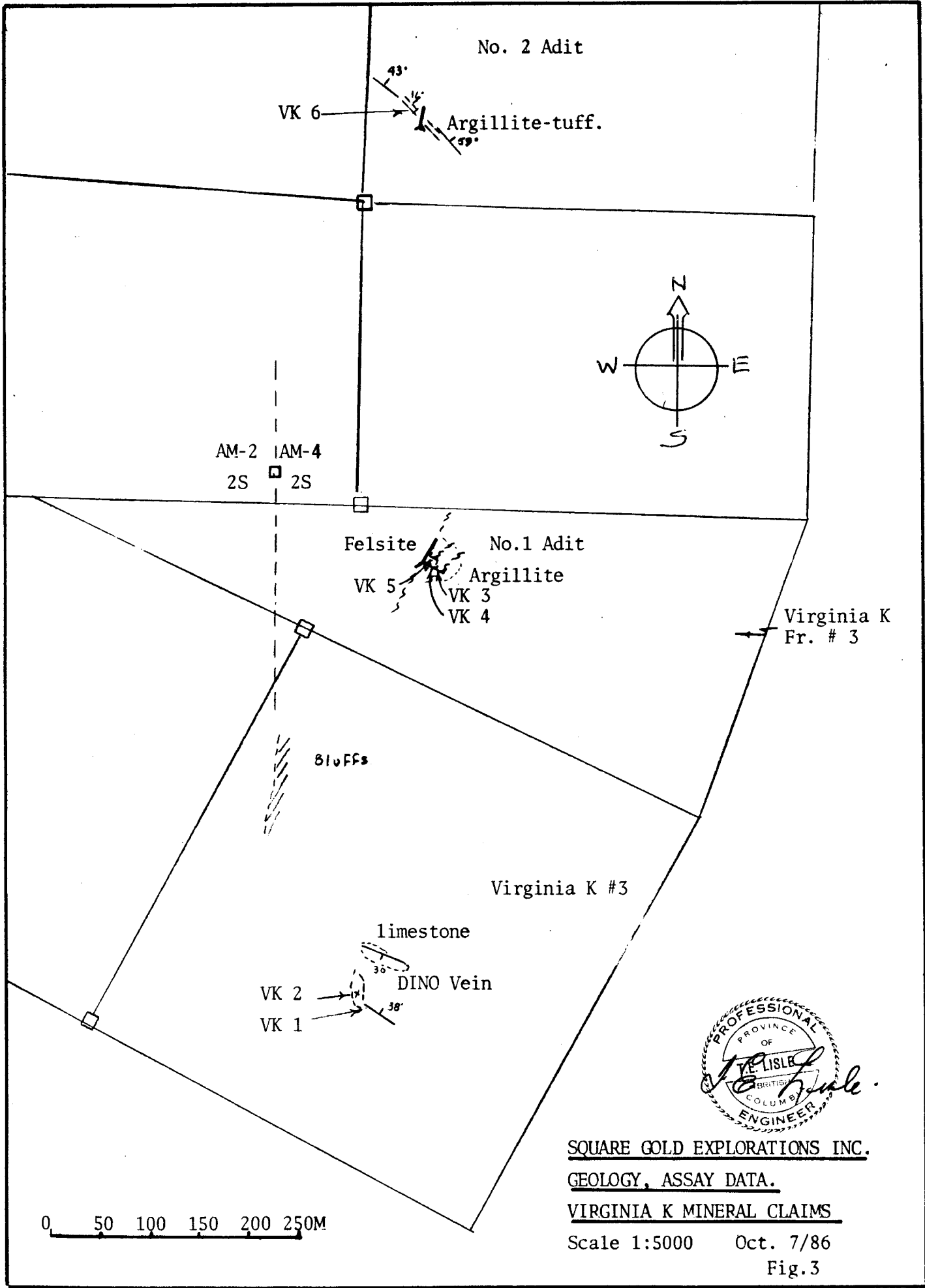
REFERENCES.

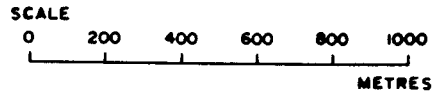
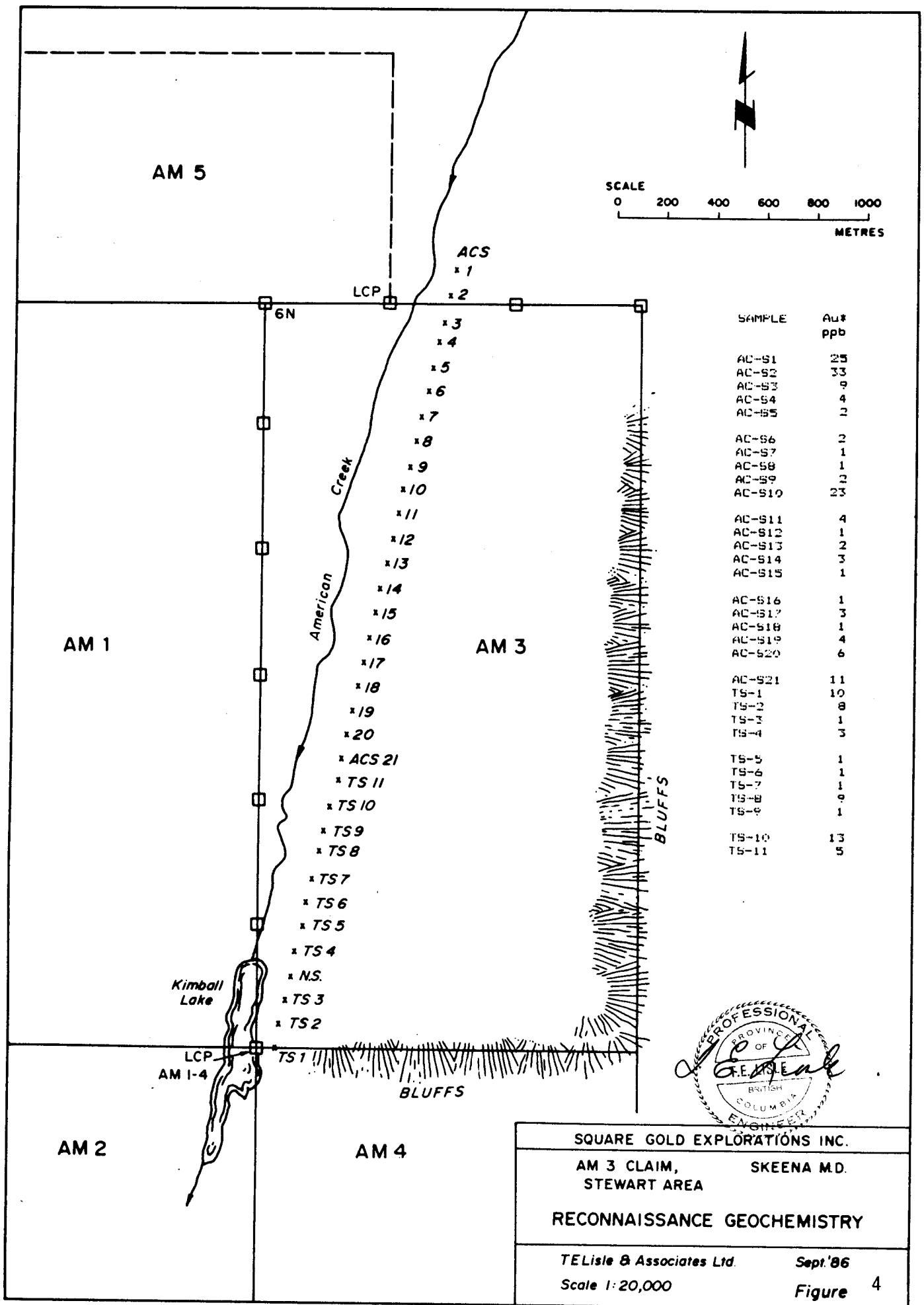
Groves, W.D. Geological Report on the Moonlight/Virginia K Property, American Creek Area, Stewart District, Skeena Mining Division, For Territorial Petroleum Ventures Limited . June 23,1986.

Grove, E.W. British Columbia Department of Mines Bulletin 58. Geology and Mineral Deposits of the Stewart Area, British Columbia. 1971.

Mitchell, J.A. Report on the Excelsior Prospecting Syndicate Virginia K Group, American Creek, Portland Canal District, November 30, 1936.

Deleen, J
Keytes, G Geology of the Napco claims, Napco 1 and 2 Assessment Report, November 1979.





SAMPLE	Au# ppb
ACS 1	25
ACS 2	33
ACS 3	9
ACS 4	4
ACS 5	2
ACS 6	2
ACS 7	1
ACS 8	1
ACS 9	2
ACS 10	23
ACS 11	4
ACS 12	1
ACS 13	2
ACS 14	3
ACS 15	1
ACS 16	1
ACS 17	3
ACS 18	1
ACS 19	4
ACS 20	6
ACS 21	11
TS 1	10
TS 2	8
TS 3	1
TS 4	3
TS 5	1
TS 6	1
TS 7	1
TS 8	9
TS 9	1
TS 10	13
TS 11	5



SQUARE GOLD EXPLORATIONS INC.
 AM 3 CLAIM, STEWART AREA SKEENA M.D.
 RECONNAISSANCE GEOCHEMISTRY
 TELisle & Associates Ltd. Sept '86
 Scale 1:20,000 Figure 4

T.E. LISLE & ASSOCIATES LTD.

GEOLOGICAL SERVICES

145 West Rockland Road, North Vancouver, B.C. V7N 2V8

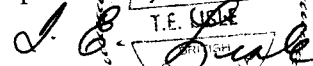
Telephone 604-987-0821

APPENDIX 1

I, Thomas E. Lisle, of the above address, hereby certify:

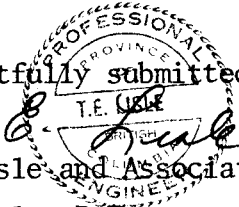
- 1) That I am a consulting geologist with business office at the above address.
- 2) That I am a graduate of the University of British Columbia with a Bsc. in 1964.
- 3) That I am a member in good standing of the :
 - Association of Professional Engineers of British Columbia.
 - Geological Association of Canada.
 - Canadian Institute of Mining and Metallurgy.
- 4) I have practiced my profession continuously since 1964, mainly in western North America.
- 5) The data and resulting conclusions and recommendations to this report have resulted from an evaluation of background data contained in early reports, and on the data collected by me and assistants during work on the claims between August 2, 1986 and September 15, 1986.
- 5) I have no interest , direct, indirect or contingent in the property described in this report, or in the securities of Square Gold Explorations Inc. I do not intend to acquire or receive any interest.

Respectfully submitted:



T.E.Lisle and Associates Limited.

T.E.Lisle, P.Eng.



APPENDIX 2

ACME ANALYTICAL LABORATORIES LTD.
2 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6
PHONE 253-3158 DATA LINE: 251-1011

DATE RECEIVED: OCT 3 1986

DATE REPORT MAILED:

Oct. 17/86

ASSAY CERTIFICATE

1.00 GRAM SAMPLE IS DIGESTED WITH 50ML OF 3-1-2 OF HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR.
AND IS DILUTED TO 100ML WITH WATER. DETECTION FOR BASE METAL IS .01%.

- SAMPLE TYPE: PULPS

ASSAYER: *D. Toye* DEAN TOYE. CERTIFIED B.C. ASSAYER.

SQUARE GOLD EXPLORATION

FILE # 86-2765A R

PAGE 1

SAMPLE#	Cu %	Pb %	Zn %
VK-1	.04	6.04	4.94
VK-3	.01	.54	1.49
VK-5	.02	1.41	.67
VK-6	.13	.83	.68

SQUARE GOLD EXPLORATION

FILE # 86-2765A

PAGE 3

SAMPLE#	Ag** OZ/T	Au** OZ/T
VK-1	13.98	.004
VK-2	7.06	.001
VK-3	1.06	.001
VK-4	.25	.001
VK-5	20.27	.004
VK-6	24.65	.004

APPENDIX 3

STATEMENT OF COSTS.

Wages:	T.E.Lisle. Sept 5/86 (1/2), 9, 11th.	\$ 450.00
	E.Scholtes Sept 5/86 (1/2) 11th.	225.00
Camp costs:		60.00
Assay:	6 at \$14.25	85.50
	4 at \$20.25	81.00
	32 at 4.75	152.00
Helicopter:	Apportioned cost.	550.00
Report:		200.00

