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Amended  
JUN 26/87.  
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REPORT ON THE MINERAL

EXPLORATION

OF

THE M T. NELSON PROJECT

Lat. 53 04'N; Long. 121 44'W

N.T.S. 93 H/4 E & W

CARIBOO M. D.

British Columbia

GROUND MAGNETIC SURVEY

for  
owner-operator:

WINEX RESOURCES INC

by

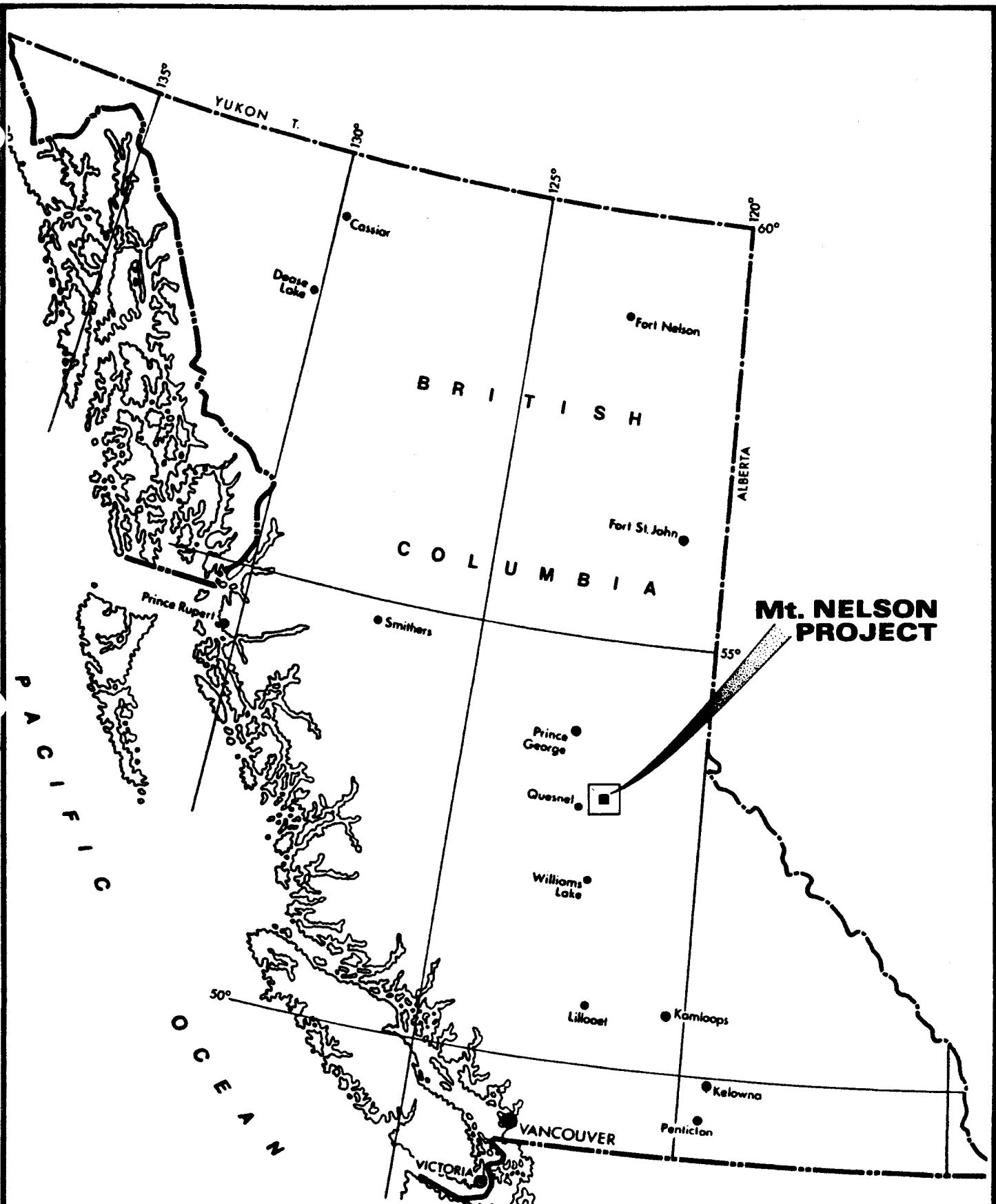
C. P. OUTTRIM, P. Eng.  
geologist

VANCOUVER, B. C.  
June 26, 1987.

15,832

GEOLOGICAL BRANCH  
ASSESSMENT REPORT

FILMED



**Mt. NELSON PROJECT**

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**WINEX RESOURCES INC.**  
**Mt NELSON PROJECT**  
**Location Map**

Scale: 0 100 km  
 NTS 93 H/4E,W  
 Date: June 20 1987

Figure: **1**

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## SUMMARY, CONCLUSIONS AND RECOMMENDATION

The Mt. Nelson property of Winex Resources Inc. is located on the southern slopes of the Mt. Nelson, about 12 km southeast of Wells B. C. and about 1.5 km north of the old town of Stanley.

The property is composed of 3 located claims and twenty reverted Crown Granted mineral claims.

Mineral exploration of the area has concentrated on exploring and mining of rich placer gold deposits since 1860's and first discovery of gold and silver bearing veins, in the Stanley area, happened in 1870, when free gold was discovered on Mt. Nelson (Foster Ledge) and Burns Mt (Perkins vein).

Past exploration and development work and small scale mining has been done on a number of showings related to quartz, pyrite, galena, sphalerite, gold and silver bearing veins known in the past as Foster Ledges.

A high grade gold, silver, lead, zinc vein type deposits such as nearby located Cariboo Gold Quartz on Barkerville Mtn. and Mosquito Creek on Island Mtn. were mined in the past or are still in production.

Both mines have mined gold from quartz veins and replacement limestone bodies located in the rocks of the Cariboo Group.

The Mt. Nelson claims are well located with respect to potentially favorable geological environs, strong folding, faulting and other structures related to mineralizing events.

Exploration work in the past consisted of drifting on gold and silver bearing veins which outcrop on about 4700' elevation on the southern slopes of Mt. Nelson from Davis Creek to Oregon Gulch.

Investigations by S. E. Holland in 1948, Sutherland Brown 1957 and 1963, Campbell, Mountjoy and Young in 1973 and the writer, have affirmed results of past exploration and shown that Mt. Nelson property is underlain by favorable Cariboo formations which are hosting mineralized veins with gold, silver, lead and zinc mineralization.

The gold assays on samples from the quartz veins of the "B" type have shown gold values ranging from 0.005 to 0.24 oz/t and in some records even to a few ounces (Dpt. of Mines 1877)

The presence of gold and silver mineralization in the wall rock is demonstrated by the writer and S. Holland.

Geophysical survey of the portion of the property demonstrated the possibility of extending known mineralized structures and also finding a new ones.

All the facts show that the property's geological, structural and mineralogical relationship points to the possibility of existence of a mineral deposit in the property area. Therefore a comprehensive mineral exploration program is recommended.

It is writer's opinion that because of the nature of the vein type gold and silver mineralization a more economically advantageous mining situation should be also explored for, and that is, "a possibility in finding replacement pyrite gold mineralization in limestone lenses which are part of the Cariboo Series", a situation similar to one in the Mosquito Creek Gold Mine.

A number of veins with higher grade mineralization would then add to the total grade.

It is the writer's opinion that more detail mapping, sampling, geochemical and geophysical work has to be done before an economic evaluation of the property's mineral potential should take place.

An essential operation in an exploration program is an economic appraisal at each critical juncture in addition to the feasibility study prior to development. The present value of the exploration venture at any time in its history should have a marked impact on the design of the remainder of the exploration program.

The exploration program is therefore to consist of two phases, whereby the second phase is dependant on the results of the first phase.

## EXPLORATION PLAN AND ESTIMATED BUDGET 1987.

Exploration work should start by expanding the 1986 grid over the whole property. Geological detail mapping, magnetometer and VLF electromagnetic surveys at an estimated cost of \$104,087.00 should be done in order to evaluate mineral potential of the property. Additional work (Phase 2) would be dependent on favorable results of the Phase 1.

### PHASE 1

Geology, engineering, supervision, mapping.....	\$	12 000.00
Room&Board.....	\$	7 000.00
Line cutting(125 km @ \$ 125.00/km).....	\$	15 625.00
Geochemical soil survey.....	\$	20 000.00
VLF-EM (125 km @ \$300.00).....	\$	30 000.00
Ground magnetic survey.....	\$	7 000.00
Transportation(vehicle rental,fuel ).....	\$	3 000.00
		-----
Total	\$	94 625.00
Admin.office and misc.(10% of total).....	\$	9 462.50
		-----
Total Phase 1.....	\$	104 087.50

### PHASE 2

Geology, engineering, supervision, evaluation....	\$	14 000.00
Room & Board.....	\$	5 000.00
Trenching.....	\$	5 750.00
Diamond drilling.....	\$	80 000.00
Assaying.....	\$	4 000.00
		-----
Total	\$	108 750.00
Admin.office and misc.(10% of total).....	\$	10 875.00
		-----
Total Phase 2.....	\$	119 625.00

## INTRODUCTION

WINEX RESOURCES INC, a Vancouver, B.C. based mineral exploration company, intends to participate in the exploration of the gold, silver, lead and zinc bearing mineral property known in the past as Foster Ledges located on the south slopes of the Mt Nelson 12 km southwest from the town of Wells B. C.

## PROPERTY

### Location:

( Fig.1&2 )

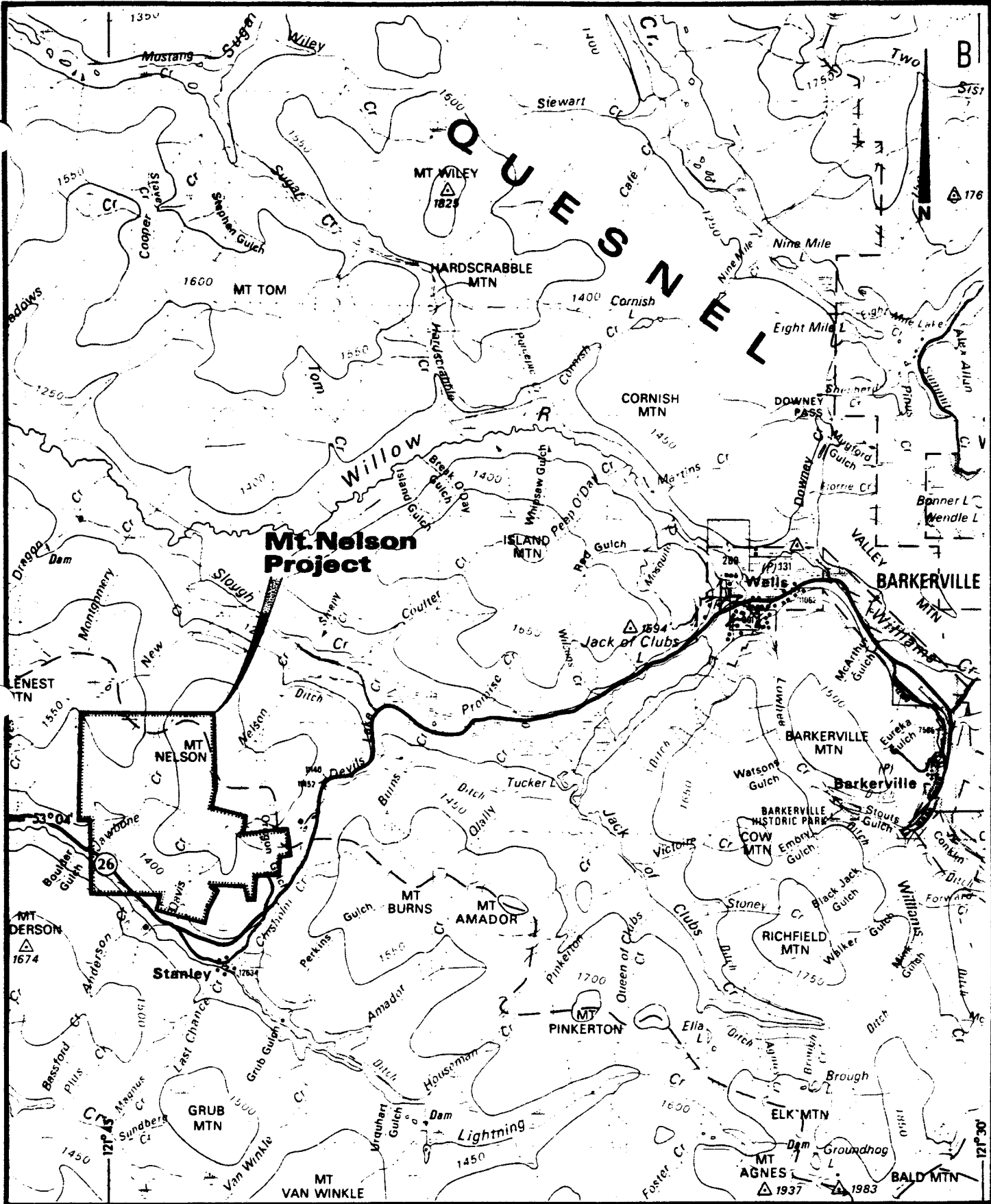
(Lat: 53 04'N; Long: 121 44'W; NTS 93 H/4 E & W)

The property is situated on the southern slopes of the Mt. Nelson some 12 km southwest from Wells B. C. and about 1.5 km from the old town of Stanley.

### Access

( Fig. 2 )

The property is reached from the town of Quesnel 75 km easterly by a paved highway to Stanley exit where the old Chisholm Creek-Oregon Gulch road leads north into the property but only for a short distance. From that point the Foster Ledges are reached on foot by the way of overgrown old trails and recently cleaned Oregon Gulch. The distance is about 600 m.



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**Location and Access Map**

Scale: 0 1 2km  
 NTS 93 H/4EW  
 Date: June 20 1987  
 Figure: **2**



**Claims:**

( Fig. 3 )

The Property is composed of three located mineral claims and twenty reverted crown grants.

Claim	Rec. No.	Tag or L. No.	Rec. Date
WAKE (20)	7637	05076	May 6, 1986.
JAKE (9)	7638	05059	May 6, 1986.
UP (Fr)	7639	05085	May 6, 1986.
ACME	524	L1620	Nov.15, 1977.
OSLO#1	524	L1688	
WONDER#1	525	L1661	
THREE STAR#1	526	L1670	
STAR#3	527	L1668	
THREE STAR#4	528	L1677	
ACME#1	529	L1665	
VIKING#2	529	L1672	
THREE STAR#2	530	L1669	
STAR Fr.	530	L1667	
VIKING#1	531	L1671	
ACME Fr.	531	L1678	
VIKING#3	532	L1673	
WONDER#1	532	L1680	Nov 15, 1977.
	M52	L1664	Nov 15, 1972.
	M52	L1666	
	M52	L10435	
	M53	L10427	
	M53	L10432	
	M53	L7724	Nov 15, 1972.

**Owner / Operator:** WINEX RESOURCES INC.  
206-535 W. Georgia St.  
Vancouver, B. C. V6B 1Z6

Title in the claims was examined by the writer on June 17, 1987. at the Mining Recorder's office, Quesnel, B. C. All claims are grouped in the Nelson Mountain Group and recorded in the name of Winex Resources Inc.

**Facilities and Services:**

( Fig. 2 )

Room and board for the exploration crew is available in Wells 12 km north east of the property.

Exploration supplies and equipment are available in Quesnel 75 km to the west. There are also all necessary hospital, school and transportation facilities available.

**Property facilities:**

Timber and water are available on the property or in close proximity.



## GEOLOGY, STRUCTURE AND MINERALIZATION

### Regional Geology

Campbell, Mountjoy and Young's (1973) Map 1356 A "McBride B. C." shows the area of Mt. Nelson property underlain by the rocks of Snowshoe Formation; Kaza Group; of Hadrynian, Proterozoic age.

The Snowshoe Formation is composed of "alternating units of feldspathic grit and grey phyllite or schist, minor limestone and conglomerate". Similar description is also found in Sutherland Brown (1963).

Correlation of these rocks throughout the region from Stanley to Wells is difficult because similar rock formations such as black phyllite, shale, siltstone, quartzite and limestone are also found in the younger formations of the Cariboo Group.

Holland, S. (1948) ( Fig. 4 ) maintains that Stanley-Wells area is "underlain by a thick series of non-fossiliferous, metamorphosed sedimentary rocks of Precambrian age. These rocks known as Cariboo Series are subdivided on the basis of lithology into three formations. The Richfield Formation, which is dominantly quartzitic, is overlain by the Barkerville formation, mainly limestone and calcareous sediments, which in turn is overlain by the Pleasant Valley formation, chiefly argillaceous sediments."

### Structure

The major structural element of the underlying formations in the Stanley area is a "broad, open (so called Lightning Creek) anticlinorium whose axis trends about north 55 west from Mt. Pinkerton and Amador to Mt. Nelson."

The folding and foliation within the anticlinorium appears more intense in the central part where older and more pelitic rocks are found.

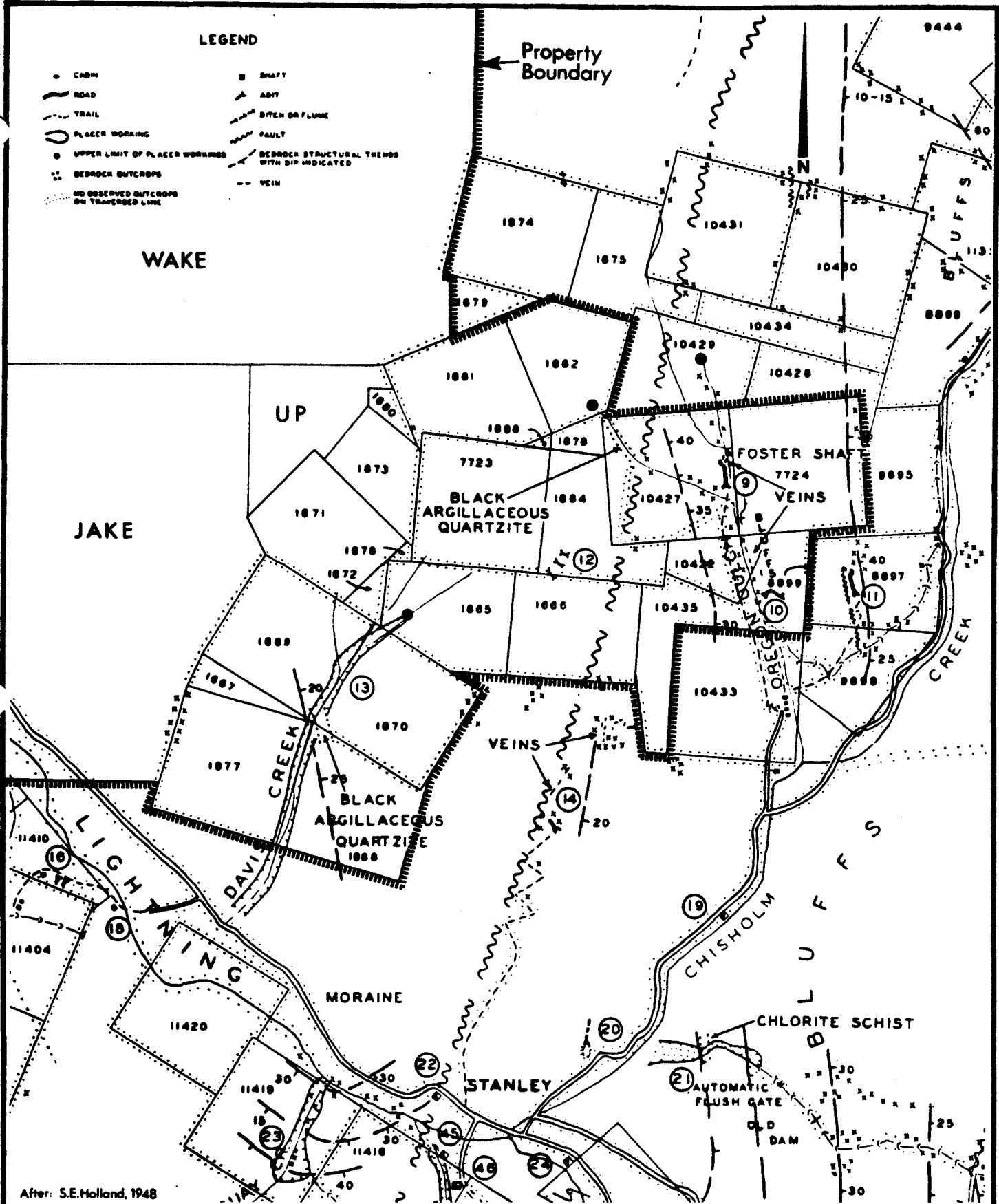
The internal structure of the anticlinorium is not well understood because stratigraphic relationships are not very clear.

### Property Geology

( Fig. 4, 5 & 6 )

"The property is underlain by grey micaceous quartzites of varying fissility, black argillaceous quartzite, some highly ankeritised quartzite schist, and grey quartzites that strike north to north 15 west and dip 25 to 40 east.

The rocks along Oregon Gulch and exposed in the Foster Ledge workings are grey and brown weathering, thinly interbedded quartzite and schist layers. They have a general resemblance to thinly bedded quartzite and schist in and around the Perkins workings on Burns Mountain. According to Holland (1948) this rocks are part of the Precambrian Richfield formation.



After: S.E. Holland, 1948

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**Property Geology**

Scale: 0 1000 Feet  
NTS 93 H/4E,W  
Date: June 20 1987  
Figure: 4

## Structure

The Last Chance-Nelson Creek fault runs in the northerly direction through the property dissecting Davis Creek from Oregon Gulch. Another fault which was found in the underground workings on L8897 runs also in the northerly direction. The Foster Ledge upper adit exposed a normal fault striking north 10 east, almost parallel to the strike of formation, and dipping 50 east.

Strong folding, foliation and jointing was observed also in other Foster Ledge workings.

The writer's investigations confirm Holland's findings.

## Mineralization

The quartz veins in the area are of two types, the 'A' veins, parallel to the strike of the rocks, and the 'B' veins which cut across the strike. The 'A' veins are usually short and narrow, in the tens of feet and lensy. They are barren of gold or near the gold bearing veins the "A" veins show very low grade gold and silver content. In writer's opinion the "A" veins are metamorphosed quartzite lenses part of the original sedimentary formations.

The 'B' veins follow the fracturing and dip steeply to the west and maybe a few inches to several feet in width. These are the mineralized veins of which the Perkins veins and Foster Ledges are the best example. The Foster Ledge veins in Oregon Gulch and the Perkins veins on Burns Mountain are in and cutting through a series of fairly thinly bedded quartzites and argillaceous schists.

The veins may be but a fraction of an inch in width and serve only to silicify the adjoining rock or may be a few inches to several feet in width and be sufficiently well mineralized. Veins of this type include the Perkins veins on Burns Mountain, the Foster Ledges and other veins on Oregon Gulch, the veins on the Acme group south of Foster Ledge, and numerous others in the Stanley area.

The quartz may be mineralized with ankerite, which generally appears as a narrow selvage along the walls, with pyrite either as sparsely disseminated grains or small irregular masses, and with galena, sphalerite, silver and free gold.

The quartz is milky in appearance, usually only slightly fractured, if at all, and may in places contain a few small crystal-lined cavities. Ankerite or siderite is common, but not universal, constituent of the veins. It occurs as small masses or disseminated grains.

Pyrite is the commonest of the sulfides and is present in amounts ranging up to half the vein, but the average pyrite content is less than 5 per cent.

Pyritization of the wall-rock frequently accompanies pyrite-bearing quartz veins, and fairly abundant coarse cubical crystals are developed in the wall-rock for several inches or considerably greater distances away from the veins.

Galena in small amounts accompanies pyrite in several of the Perkins veins on Burns Mountain, in the Foster Ledges and several other small veins in Oregon Gulch, in veins on the Acme group, and elsewhere.

Sphalerite is present in the Foster Ledges at the forks of Oregon Gulch, and in the vein-segment in the fault-zone exposed in a hydraulic pit near the west end of the Slough Creek bench close to Nelson Creek.

Free gold has been seen in a quartz from the dumps of the Perkins veins on Burns Mountain, in the veins on the Acme group north of Stanley, and has been reported from the Foster Ledges at the forks of Oregon Gulch. The Perkins veins produced several spectacular specimens of free gold in quartz variously reported to be valued between \$30 and \$120 (Johnston and Uglow, 1926, p.209).

Foster Ledge produced results of 0.24 oz/t of gold (Lay in Min.of Mines 1935, p. C 27.) and also values of gold at \$ 120 to & 700/t as reported in Min. of Mines Rpt. for 1877.

Following are results of Holland's sampling in 1948.

Location	Pyrite	Galena	Sphalerite	Gold	Silver
Foster Ledge, Galena vein	-	Solid	-	Trace	31.6
Foster Ledge, Main adit	*	*	50	0.07	0.7
Foster Ledge, Main adit	10	-	-	0.06	0.4
Foster Ledge, Main adit	-	8	-	0.02	1.0
Foster Ledge,	-	-	6	0.01	Nil

The assays indicate that veins with high galena or sphalerite and little or no pyrite contain very low gold values, but may contain moderate to very high amounts of silver that is associated with the galena.

## HISTORY OF EXPLORATION

( workings are shown on Fig. 5 & 6 )

1870's

Discovery of gold, silver veins on Mt. Nelson-Foster Ledge and Perkins gold veins on Burns Mtn.

The geology & structure of the gold, silver bearing vein appear to be very similar on both properties.

1877

The Foster Mine, Chisholm Creek, has had a shaft sunk to the depth of 18 feet with "such promising indications" that continuation of thorough exploration was recommended .

The "best assay returns ranging from \$120.00 to over \$700.00/t (at \$20.00/oz Au) were given for the Foster Ledge.

The work was also done on the Montgomery extension, "situated on the same ledge". (Min. of Mines Rpt. for 1877 )

From 1877 till 1933

Extensive surface and underground exploration took place.

The workings around the old Foster vein are shown in Fig.6.

On the west side of Oregon Gulch between elevations 4,560 and 4,570 feet two open-cuts expose two narrow parallel quartz

veins 12 feet apart striking about north 10 degrees east and dipping 70 degrees westward. The westerly vein is exposed for a length of about 40 feet and the easterly for about 20 feet.

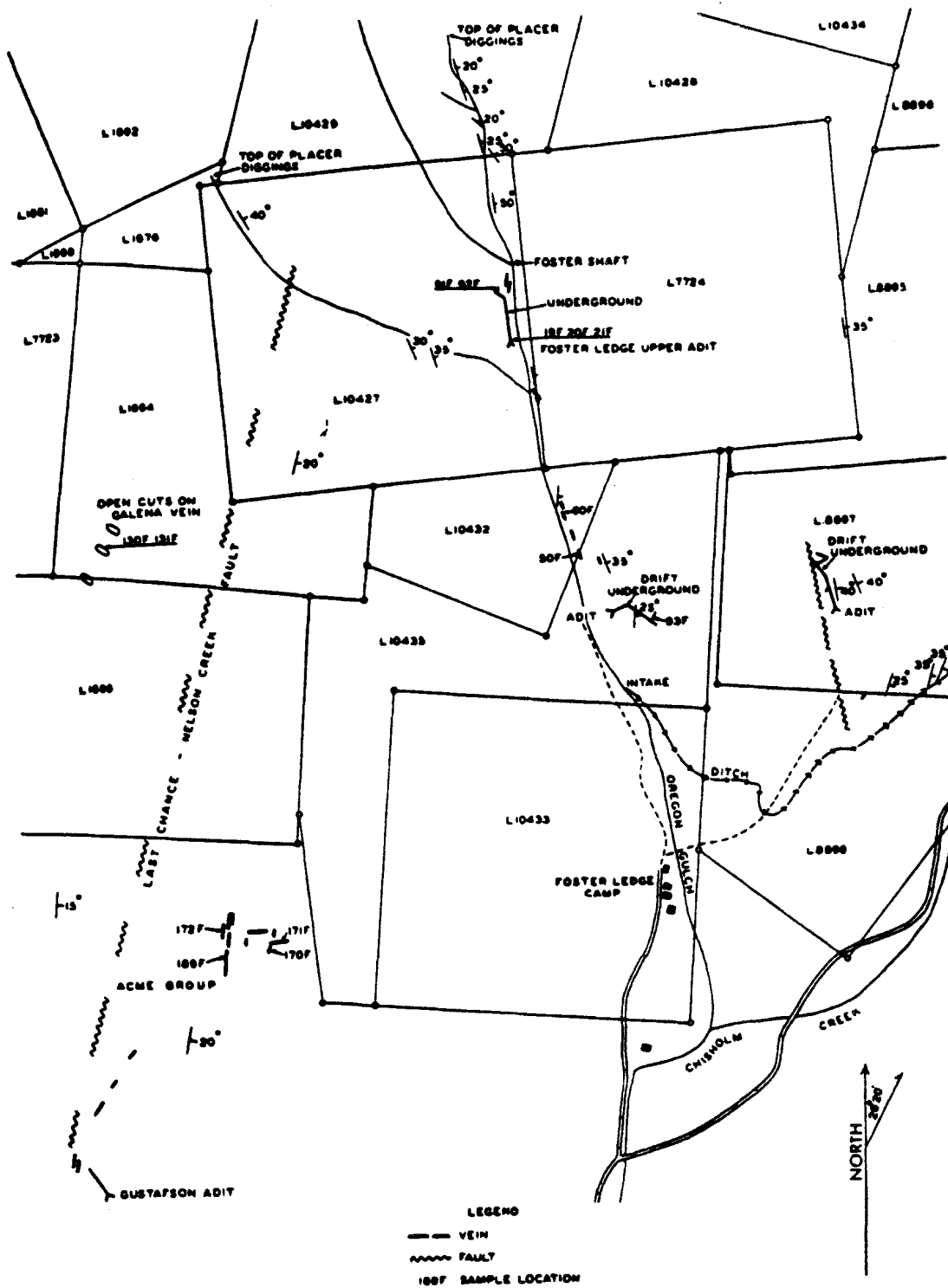
Visible gold is said to have been found in the outcrop of these veins. About 260 feet south of these surface exposures and at elevation 4,500 feet, an adit was driven in a direction north 8 degrees west for 217 feet. From there a crosscut to the

northwest crossed four narrow veins all striking about north 10 degrees east and dipping about 70 degrees west . The wider two

of these veins, from 2 to 8 inches wide and mineralized with pyrite, galena, and sphalerite, were followed by a drift for 35 feet to the north. The veins evidently are the downward

extension of the two veins exposed on the surface and are on the foot-wall side of a normal fault which crosses the adit from 135 to 165 feet from the portal and which (see section on Fig.6) displaces the veins possibly 20 feet or more.

The gold content of all these is low. Evidently the high assays obtained in the early days were from surface samples that contained free gold.



After: S.E. Holland, 1948

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Foster Ledge - Location of Workings

Scale: 0 400 Feet

NTS 93 H/4E.W

Date: June 20 1987

Figure: **5**



Following are assay results on samples collected by S. Holland in 1948:

Sample No. and Location.	Description.	Gold.	Silver.
		Oz. per Ton.	Oz. per Ton.
19F. Foster Ledge adit dump.....	Selected high pyrite mineralisation.....	0.06	0.4
*20F. Foster Ledge adit dump.....	Selected galena mineralization.....	0.02	1.0
†21F. Foster Ledge adit dump.....	Selected sphalerite mineralization.....	0.01	NH
50F. Oregon Gulch.....	15-inch formational quartz vein—no sulphides.....	0.01	NH
60F. Oregon Gulch.....	12-inch formational quartz vein—small amount galena mineralization.....	0.01	NH
91F. Foster Ledge adit.....	7-inch quartz vein with pyrite, galena, and sphalerite.....	0.16	NH
92F. Foster Ledge adit.....	Selected high sphalerite with some galena and pyrite.....	0.07	0.7
93F. Foster Ledge lower adit.....	Composite sample along 1- to 3-inch vein with no apparent mineralization.....	NH	NH
130F. Galena vein on Lot 1664.....	Selected solid galena.....	Trace	31.6
131F. Galena vein on Lot 1664.....	Selected leached and oxidized quartz.....	0.02	Trace

\* Contains 4.9 per cent. lead.

† Contains 2.5 per cent. zinc.

The old Foster shaft, reported depth 56 feet, is on the east side of Oregon Gulch, 100 feet from the surface stripping on the veins. The shaft is now caved and filled with water, and no veins are to be seen.

Three open-cuts were put down through about 4 feet of overburden in the southwest corner of Lot 1664 on the ridge between Oregon Gulch and Davis Creek and about 600 feet west of the Last Chance-Nelson Creek fault. One cut is on the south boundary of Lot 1664 about 160 feet from the southwest corner; the other two lie to the northeast. The cuts are now sloughed and no vein can be seen.

Two samples (130F and 131F) were taken from the dump of the central cut. Selected solid galena (130F) assayed: Gold, trace; silver, 31.6 oz/ton. Leached and rusty quartz with no sulfides present (131F) assayed: Gold, 0.02 oz/ton; silver, trace.

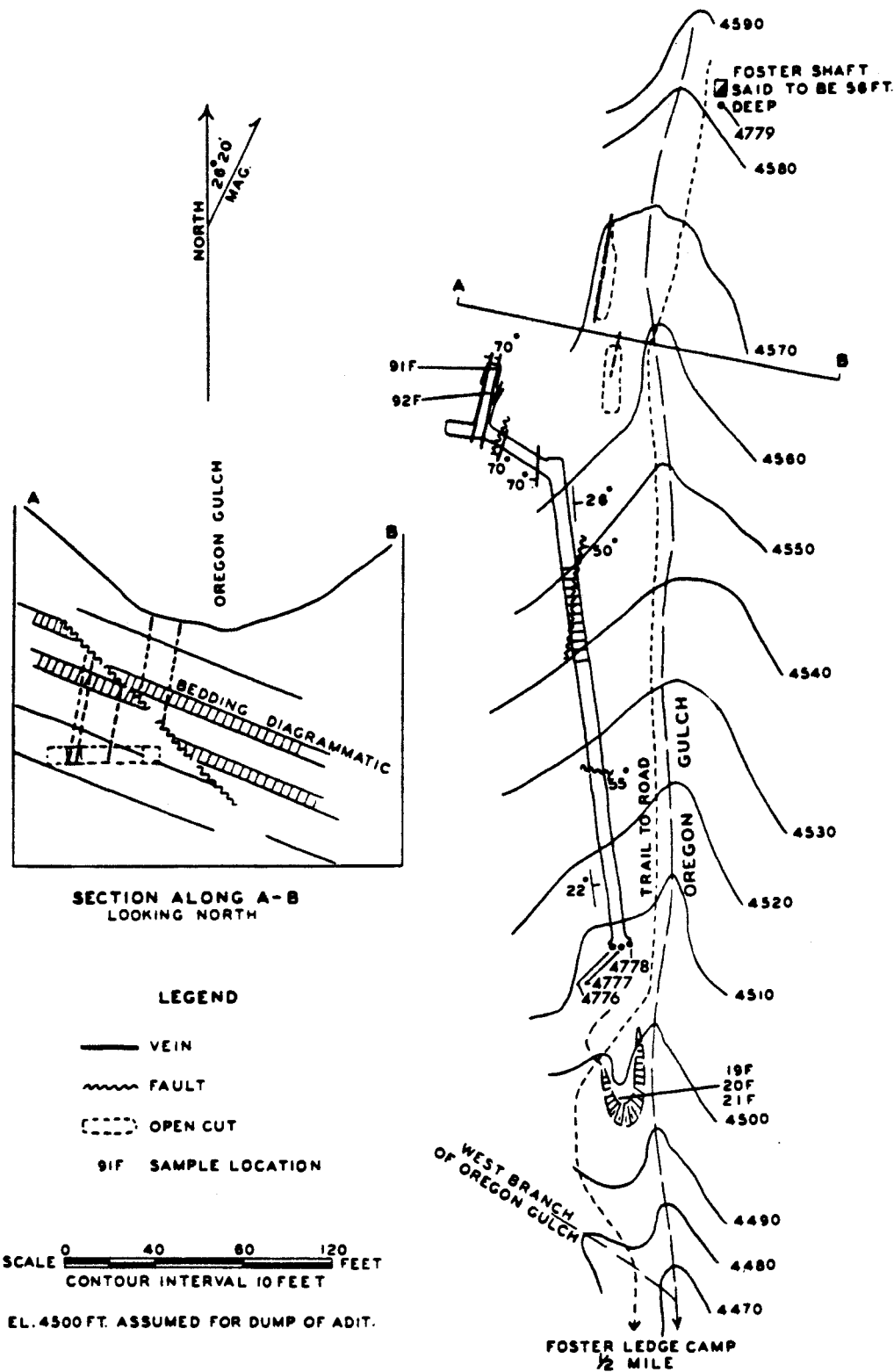
A number of "formational quartz" veins, "A veins", outcrop in Oregon Gulch downstream from the Foster Ledge upper adit. Samples from two of them (50F and 60F) both assayed: Gold, 0.01 oz/ton; silver, nil.

1933, 1934

Foster Ledge Gold Mines, Limited, drove an adit on the east side of Oregon Gulch in the eastern part of Lot 10435.

Holland, (1948), describes the adit as follows:

The adit is driven north 65 degrees east for 70 feet, then south 57 degrees east for 170 feet to the face. The rocks exposed in the adit are thinly laminated argillaceous quartzite with thin black argillaceous partings and 1- to 4-inch beds of light-gray hard quartzite. The rocks strike about north 35 degrees west and dip 20 to 30 degrees to the northeast. A 2- to 5-inch quartz vein striking north 25 degrees east and dipping 80 degrees northeast was crossed at a point 32 feet back from the face.



After: S.E. Holland, 1948

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Foster Ledge - Surface and  
Underground Workings at Upper Adit

Scale: as shown  
NTS 93 H/4EW  
Date: June 20 1987  
Figure: **6**

This narrow vein was followed by a drift for 43 feet to the northeast. No sulfide mineralization was seen in the quartz and a composite sample (93F) along its length assayed: Gold, nil; silver, nil. From this vein Lay (Minister of Mines, B.C., Ann Rept., 1935, p.C27) obtained a sample of selected material which assayed: Gold, 0.24 oz/ton.

An adit was driven below some surface trenching about 1,000 feet east of Oregon Gulch and on the western part of Lot 8897. The adit was driven near the northern end of a prominent northerly striking depression which undoubtedly is the topographic expression of a large northerly trending fault that was encountered beneath it in the underground workings. Visible gold is reported to have been present in one of the veins outcropping above the adit.

These workings are also caved in today.

1935 - 1974

There is no records of any exploration work to be found.

1974

Golden Ark Explorations Ltd. of Vernon has done 1000 feet trenching and stripped an area of 200 by 5 by 20 feet on Lot 10430 & 10431. Results were not published.

1975

The same company continues minor exploration work.

1978

Regional geological survey, 288 soil samples analyzed for copper and silver cover most Crown Grants.

1980 - 1983

A VFG magnetometer with instrument accuracy of +/- 100 gammas was run over short single lines. No significant anomalies were reported.

1984

Capell, R. & Tipke, C., conducted "a preliminary heavy mineral geochemical survey" for American Volcano Mineral Corp. on the Mt. Nelson property.

Eight bulk samples were collected from stream gravels in Davis Creek. The results have shown very high gold-silver content which decreased down slope.

Besides gold and silver, concentrates contained significant values in lead, zinc and scheelite.

The gold values range from 8.800 ppb to 61000 ppb.

The samples show extremely high gold content, which is to be expected in the Davis Creek area. Much more significant fact is that amount of gold increases up slope, thus indicating that a source of placer gold and high gold content of silts on the slopes is located farther up where there are known mineralized veins such as Foster Ledge and Galena veins.

**WORK DONE 1986**  
( Fig. 7 )

A geophysical ground magnetic survey was done on the part of the Mt. Nelson property from June, 20 till June, 23, 1986. by Winex's personnel led and supervised by Colin P. Outtrim, P. Eng. and supported by Gary J. Boehm, P. Eng., Dale Pauls and David King operators and line cutters

**Survey control**

An exploratory grid was established over the part of the property which covers main showings of the Foster Ledge, Davis Creek, Galena Veins and showings located south of Foster Shaft on the slopes surrounding Oregon Gulch.

The north south base line is located in the Oregon Gulch and starts about 600 m north of the confluence of the Oregon Gulch and Chisholm Creek.

From the Base line cross lines were flagged and marked at 50 m intervals. The lines are running east west.

The complete grid is 24.575 km/lines long and covers an area of about 1000 m by 2000 m.

**GEOPHYSICAL SURVEY**

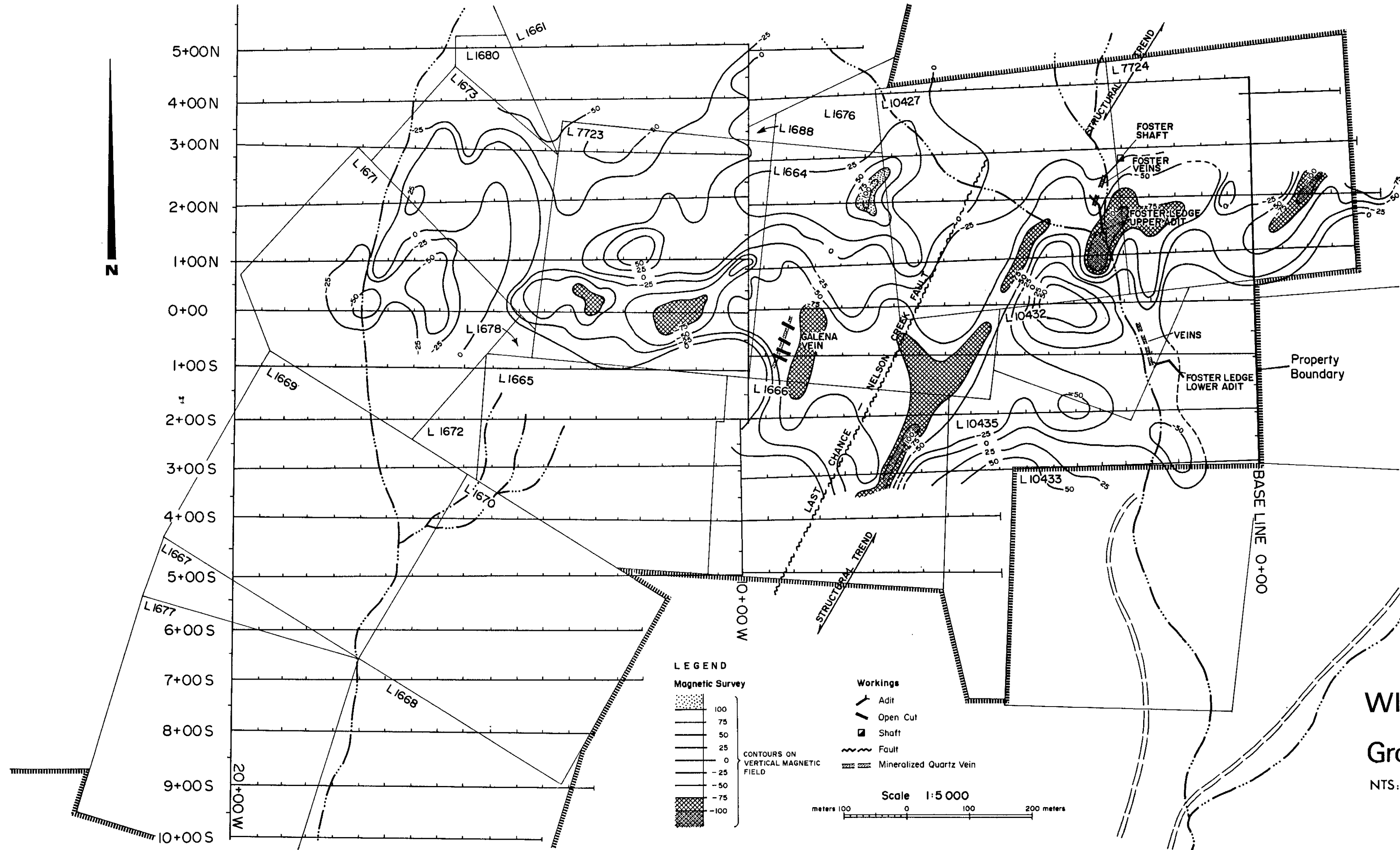
All data were recorded using a SINTREX M-2 Magnetometer with an instrument accuracy of + or - 2 Gammas. A Base station was located at the top of the access road at 4+00 S at station 3+00 west located in L 10433 (this is a non company land claim however, it was a convenient reference location on the access road) The base station was tied in to the grid survey on six time intervals throughout the survey period. The magnetometer was corrected to zero at the beginning of each day.

The base lines 0+00 (running east to west) and the 10+00 West line were used as additional reference lines. Diurnal variations were removed from the magnetic recordings on a linear time correction curve with further corrections for baseline tie-ins. The second set of corrections in certain cases resulted in slight variations in the data at a given tie-in point. In three cases averages of the first corrected (diurnally adjusted) and the base line tie-in corrected data were averaged for the final data.

It is believed that the effect of the two survey corrections has resulted in a survey accuracy of + or - 15 gammas per data point.

A further correction for elevation was considered and tested on the 10+00 West tie-line. This correction was not believed to be significant nor valid considering the heterogeneity of the underlying rock and degree of the anomalies identified in the survey.

The elevation correction if believed applicable is estimated to be -1.25 gammas per 100 feet of elevation rise. The effect would be a decrease in magnetic values from the base station reference point. The correction would be based on an elevation of 4400 feet at the base station to the highest point on the survey which has an elevation of 5100 feet located at 5+00 N on Line 10+00 West. The total correction would be a maximum of -8.75 gammas over the total survey area.



**GEOLOGICAL BRANCH  
ASSESSMENT REPORT**

**15,832**

**WINEX RESOURCES INC.  
Mt. NELSON PROJECT  
Ground Magnetic Survey**

NTS: 93 H/4E,W - Date: June 20 1987

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**LEGEND**

Magnetic Survey	
[Stippled pattern]	100
[Horizontal lines]	75
[Horizontal lines]	50
[Horizontal lines]	25
[Horizontal line]	0
[Horizontal line]	-25
[Horizontal line]	-50
[Horizontal line]	-75
[Cross-hatched pattern]	-100

CONTOURS ON  
VERTICAL MAGNETIC  
FIELD

**Workings**

- [Line with arrow] Adit
- [Line with arrow] Open Cut
- [Square with dot] Shaft
- [Wavy line] Fault
- [Dashed line] Mineralized Quartz Vein

Scale 1:5 000



DISCUSSION

During the month of June 1986, a pilot magnetometric survey was carried out over the head water area of Davis Creek and Oregon Gulch under the supervision of Mr. Colin P. Outtrim, P.Eng. Several negative anomalies indicated during the course of the survey appear to coincide with mineralized silicified zones observed in old workings. Mr. Outtrim's remarks on the magnetic survey are presented as follows:

1. The Foster Shaft is located on the L 7724 lease at the location of Line 2 + 60 N by 2 + 50 W. The magnetic value at this location is -91 gammas.
2. The Foster underground workings are located on lease L 10427 and are found between Line 1 + 00 N and Line 2 + 00 N. The magnetic values are between -25 and -100 gammas through this region.
3. The Galena Vein located on L 1664 are found in the vicinity of L 1 + 00 S and L 0 + 00 near 9 + 50 W in the region where the magnetics are in the range of -50 to -75 gammas.
4. The Last Chance - Nelson Creek Fault appears to correlate slightly with a NNE high which is particularly strong in L 1664 at Line 2 + 00 N at station 7 + 50 W.
5. The Gustafson Adit and the working recorded on the ACME Extension correlate with the extension of the anomalous low trend which begins at the Foster workings and extends south-westerly through L 1664 and L 1666.
6. The strong but isolated anomaly located in L 7724 near line 2 + 00 N. at 1 + 00 E. may be related to the workings reported on the Chisholm Creek Claims assessable from the east slope of L 8896 (not held by Winex Resources Inc.).
7. Minor anomalies can be recognized as in the vicinity of L 10435 at 3 + 00 S at 1 + 50 W. this anomaly seems to correlate to the mining activity in the map contained in the GSE Bulletin 26 - 1948, Page 51.
8. In the head waters of Davis Creek, strong anomalies occur within the L 7723 very near to the location of an old log building which we found during our survey located at 0 + 00 at 12 + 00 W.

Coverage of the entire area of the property and correlation with other geophysical methods will greatly enhance the value of the magnetometric results and especially when considered with local geological field editing.

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## Appendix

Expenditure Summary 1986 Assessment Report  
 Nelson Mountain Group #3227

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Grid preparation by AMEX Exploration \$6900.00

Magnetic Survey by Winex Resources Inc.

Instrument rental	367.50
Travel Expenses 3 men	336.00
Accommodation 3 men	172.27
Subsistance 3 men	154.72
Personel fees	3300.00
Interpretative report	2500.00
Misc supplies etc.	182.41

\$7012.90

Geochemical sampling on Davis Creek CF Minerals \$ 900.00

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TOTAL THIS ASSESSMENT REPORT \$14812.90

Prepared by Winex Resources Inc.



CERTIFICATION OF QUALIFICATION  
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I, Colin P. Outtrim, P.Eng., of Calgary Alberta, with mailing address P.O. Box 776 Postal Sta. 'G', Calgary, Alberta, Canada, hereby certify:

1. That I am a self employed Engineer and did conduct, under my direct supervision a survey of the Mineral claims and leases held by Winex Resources Inc. during the period June 1986 to October 1986.
2. That I have a position as director on the Board of Directors of Winex Resources Inc., and I have a shareholding in Winex Resources Inc.
3. That I attended the University of British Columbia and graduated in 1973 with a Bachelors of Applied Science in Geological Engineering; that I am a registered Professional Engineer in the Provinces of Alberta and British Columbia and that I have in excess of thirteen years experience in the evaluation of geological and engineering data related to mineral and petroleum exploration and development.
4. That a personal field inspection and direct supervision of the geophysical survey was conducted by myself during June 1986, with interpretation and processing of the data conducted by myself during the period July through October 1986.



Colin P. Outtrim, P.Eng.

25/6/87