87-363-16126

PROSPECTING REPORT

ON THE

NEL PROPERTY

(NEL 1-4 CLAIMS)

N.T.S. 104 A/04E

SKEENA MINING DIVISION

Situated at Coordinates: 56° 03.3' N
129° 31' W

Owner/Operator: NORANDA EXPLORATION COMPANY, LIMITED
(NO PERSONAL LIABILITY)

By: Robert J. Baerg

April, 1987

TABLE OF CONTENTS

LIST OF FIGURES

SUMMARY:

The NEL property is located on the eastern flank of the Coast Range mountains approximately 13 km southwest of Meziadin Junction and approximately 60 km northeast of Stewart. The property straddles the contact between Mid Jurassic Bowser Basin Group sediments to the east and Jurassic age Hazelton group volcanics and sediments to the west. Prospecting and silt sampling has identified a weakly anomalous area in the central portion of NEL 1. Four silt samples returned weakly anomalous values in Cu, Pb, Zn, As, Sb, Bi and Au. It is recommended that this area be further prospected and sampled.

INTRODUCTION:

The Nelson Creek property is situated on the eastern side of the Coast Range Mountains of British Columbia within the Skeena Mining Division. The property covers an apparent contact between Bowser Basin sediments to the east and felsic to intermediate volcanics to the west. The property was staked to evaluate the mineral potential of this contact area. 1986 fieldwork consisted of prospecting and rock and silt sampling by a crew of two men; R. Baerg and C. Church.

HISTORY:

There is little or no record of previous work in this area. Old claim maps indicate that parts of this area have been previously staked but no work has been recorded.

LOCATION AND ACCESS:

The property is located at the headwaters of Nelson Creek on the eastern flank of the Coast Range Mountains approximately 13 km southwest of Meziadin Junction. (Figure #1) Highway 37A passes 5.5 km to the north of the property. Current access is via helicopter from Stewart, B. C.

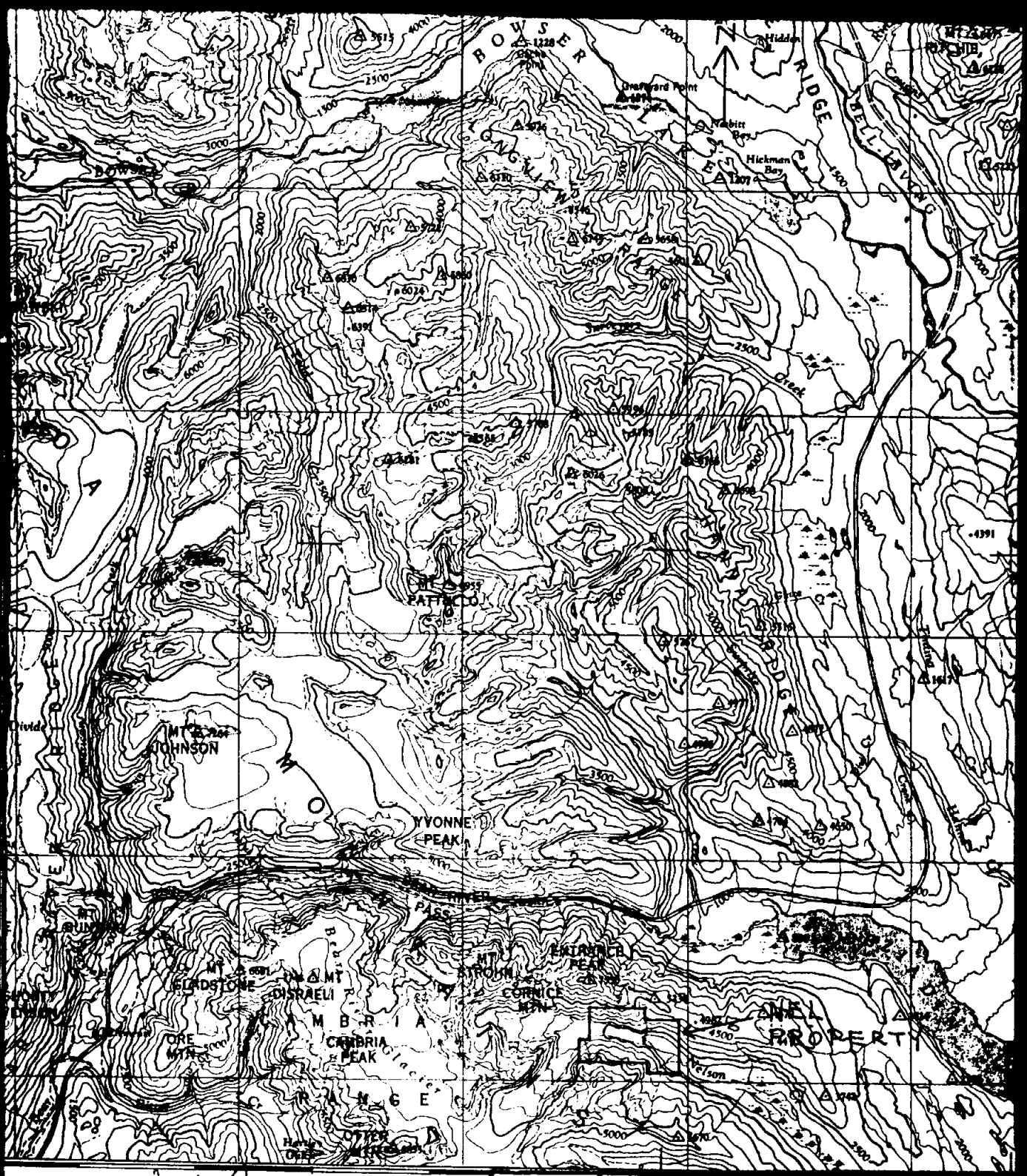
PHYSIOGRAPHY:

The property straddles the headwaters of Nelson Creek. The creek is glacier fed and is generally too treacherous to cross down-stream from the glacier. The valley is flat with steep sides. Elevations range from 1900 to 5500 feet. Vegetation consists of dense buckbrush in the valley bottom grading up into stunted spruce and fir and eventually into alpine meadows and bare rock.

CLAIM STATISTICS:

The property consists of the following wholly Noranda owned claims: (Figure #2)

CLAIM	UNITS	RECORD NO.	EXPIRY DATE
NEL 1	15	5360	May 15, 1988
NEL 2	6	5361	May 15, 1988
NEL 3	12	5362	May 15, 1988
NEL 4	9	5363	May 15, 1988



Robert Barry
June 15 '87

REVISED

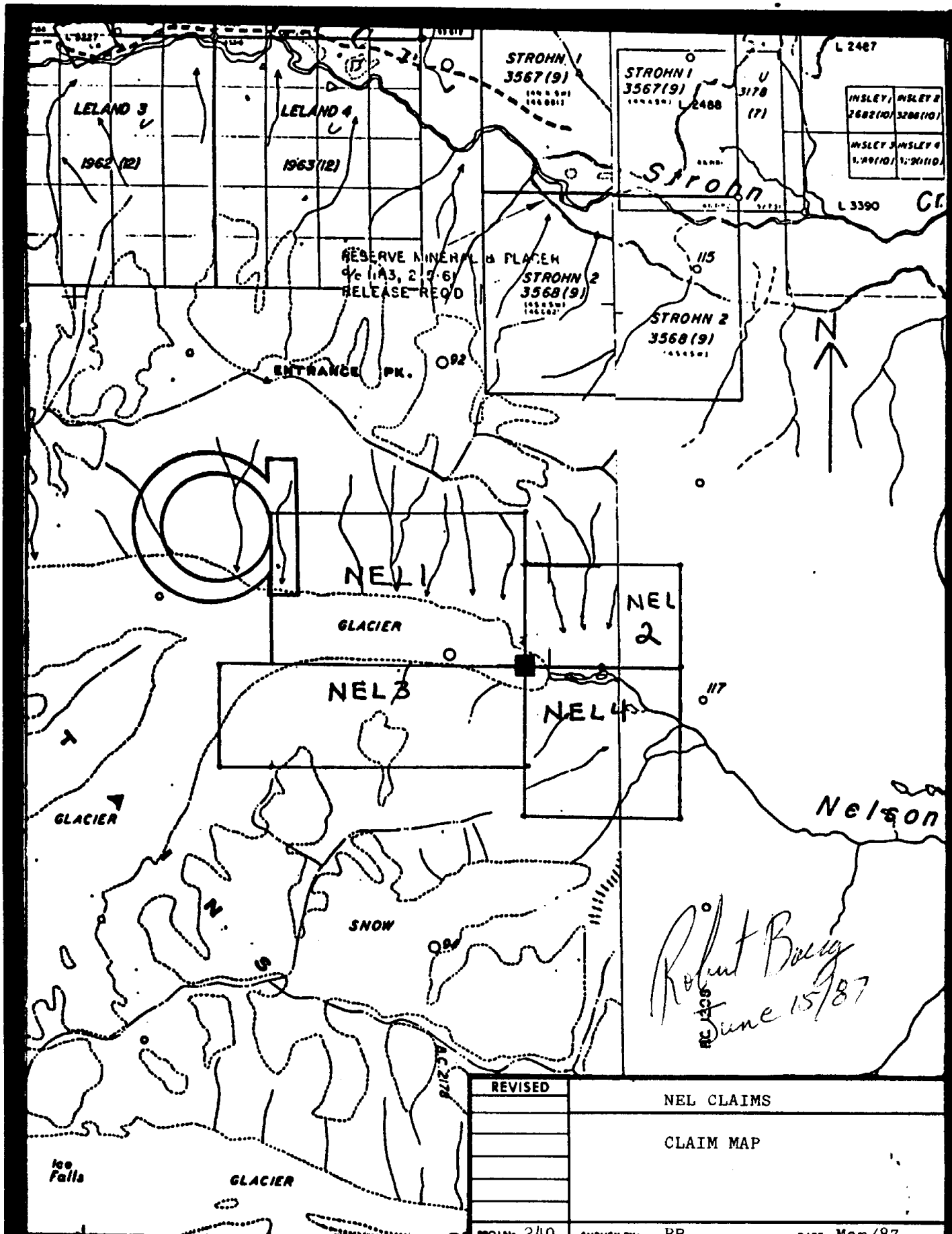
NEL CLAIMS

LOCATION MAP

PROJ. No. 240
N.T.S. 104A4
DWG. No. 1

SURVEY BY: RB DATE: Mar/87
DRAWN BY: RB SCALE: 1:250,000

NORANDA EXPLORATION
OFFICE: Prince George



REVISED	NEL CLAIMS
	CLAIM MAP
PROJ. No. 240	SURVEY BY: RB DATE: Mar/87
N.T.S. 104A4	DRAWN BY: RB SCALE: 1:50,000
DWG. No. 2	**NORANDA EXPLORATION**
	OFFICE: Prince George

REGIONAL GEOLOGY:

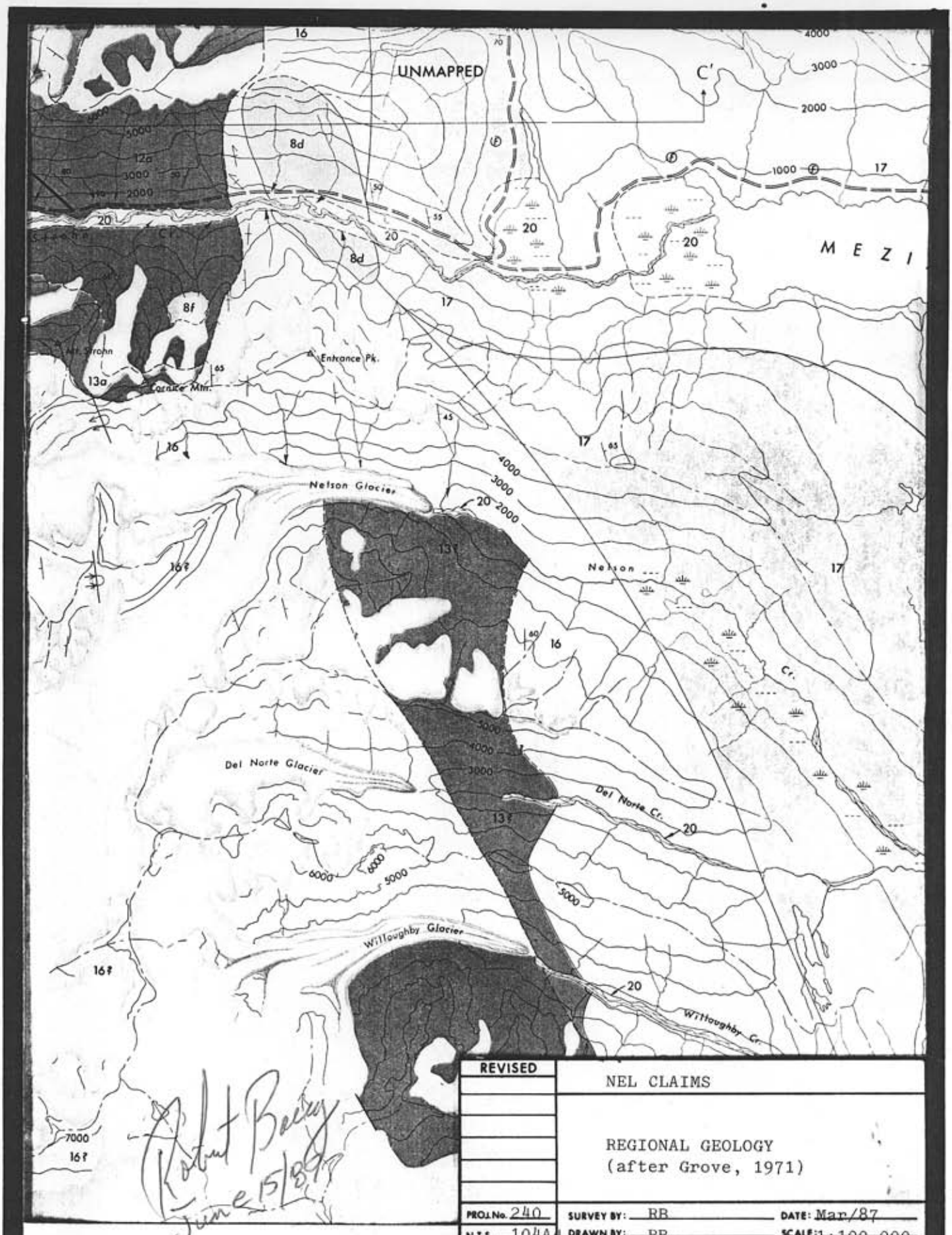
The property straddles the contact between Bowser Basin Group sediments to the east and Hazelton Group volcanics and sediments to the west. (Figure #3) The Bowser sediments consist of black argillite and shale which has been locally deformed. Bedding and fold features generally have a northerly trend. The Hazelton rocks consist of felsic to intermediate volcanics, tuffs and sediments. These rocks are intruded, particularly further to the west, by felsic to intermediate intrusive bodies. Deformation in these rocks, which is not as discernable as in the Bowser sediments, has the same northerly trend for fold axes and bedding.

PROPERTY GEOLOGY:

The area from just below the toe of the glacier to the central part of the NEL 1 claim was prospected on 2 separate occasions. The geology of this area is shown in Figure #4. To the east of the LCP is a thick sequence of highly deformed black argillite. The contact between the argillites and rock units to the west is very evident, although it was not observed on surface. To the west of the argillites is a thick section of chloritic, felsic to intermediate tuffs, intermediate flows and volcanic greywacke. Within this package was a 20-90 meter wide north trending zone of pyritic rhyolite and rhyolite breccia. This unit is locally weakly quartz-sericite-pyrite altered. As well, a traverse was made along the north side of the glacier to the central portion of NEL 1. Due to the steepness and unstable nature of the moraine above the glacier, it was impossible to prospect above the moraine. Several silt and rock samples were collected on this traverse. Silt samples 15238, 15240, 15242 and 15244 returned weakly anomalous values in Cu, Pb, Zn, As, Sb, Bi and Au. The rock samples did not return any anomalous values. The dominant boulder types along the glacier were white granite, black argillite, and andesite. As well there were minor amounts of quartz-sericite-pyrite altered rock and finely banded hornfelsed tuffs.

DISCUSSION OF RESULTS:

Prospecting of this area has revealed that the geology is somewhat different from that on Grove's map (1971). The property appears to be largely underlain by Hazelton Group volcanics and sediments which is in contact with a highly deformed sequence of Bowser Basin Group argillites. Silt sampling in the central part of the NEL 1 claim indicates an area of weakly anomalous Cu, Pb, Zn, As, Sb, Bi and Au. As well the boulder train along the north side of Nelson Glacier indicates that there is a granitic intrusion possibly with some related quartz-sericite-pyrite alteration further up ice.



Robert Bailey
June 15/87

REVISED	NEL CLAIMS
	REGIONAL GEOLOGY (after Grove, 1971)
PROJ. No. 240	SURVEY BY: RB DATE: Mar/87
N.T.S. 104A	DRAWN BY: RB SCALE: ~~1:100,000~~
DWG. No. 3	**NORANDA EXPLORATION** OFFICE: Prince George

Province of British Columbia
Ministry of Energy, Mines and Petroleum Resources

GEOLOGY OF THE UNUK RIVER - SALMON RIVER - ANYOX MAP AREA

0 10 KILOMETRES

SCALE - 100 000

LEGEND

SEDIMENTARY AND VOLCANIC ROCKS

QUATERNARY

RECENT

CENOZOIC

20 UNCONSOLIDATED DEPOSITS: RIVER FLOODPLAIN, ESTUARINE, RIVER CHANNEL AND TERRACES, ALLUVIAL FANS, DELTAS AND BEACHES, OUTWASH, GLACIAL LAKE SEDIMENTS, TILL, PEAT, LANDSLIDES, VOLCANIC ASH, HOTSPRING DEPOSITS

19 BASALT FLOWS (a), CINDERS, ASH (b)

PLEISTOCENE AND RECENT

18 BASALT FLOWS

JURASSIC

HAZELTON GROUP

UPPER JURASSIC

NASS FORMATION

17 SILTSTONE, GREYWACKE, SANDSTONE, SOME CALCARENITE, ARGILLITE, CONGLOMERATE, MINOR LIMESTONE, MINOR COAL (INCLUDING EQUIVALENT SHALE, PHYLLITE, AND SCHIST)

MIDDLE JURASSIC

SALMON RIVER FORMATION

16 SILTSTONE, GREYWACKE, SANDSTONE, SOME CALCARENITE, MINOR LIMESTONE, ARGILLITE, CONGLOMERATE, LITTORAL DEPOSITS

15 RHYOLITE, RHYOLITE BRECCIA, CRYSTAL AND LITHIC TUFF

BETTY CREEK FORMATION

14 PILLOW LAVA, BROKEN PILLOW BRECCIA (a); ANDESITIC AND BASALTIC FLOWS (b)

MESOZOIC

13 GREEN, RED, PURPLE, AND BLACK VOLCANIC BRECCIA, CONGLOMERATE, SANDSTONE, AND SILTSTONE (a); CRYSTAL AND LITHIC TUFF (b); SILTSTONE (c); MINOR CHERT AND LIMESTONE (INCLUDES SOME LAVA (14)) (d)

LOWER JURASSIC

UNUK RIVER FORMATION

12 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)

11 PILLOW LAVA (a); VOLCANIC FLOWS (b)

TRIASSIC

UPPER TRIASSIC

TAKLA GROUP (?)

10 SILTSTONE, SANDSTONE, CONGLOMERATE (a); VOLCANIC SILTSTONE, SANDSTONE, CONLOMERATE (b); AND SOME BRECCIA (c); CRYSTAL AND LITHIC TUFF (d); LIMESTONE (e)

PLUTONIC ROCKS

OLIGOCENE AND YOUNGER

CENOZOIC

9 DYKES AND SILLS (RHYOLITE, DIORITE (a), QUARTZ DIORITE (b), GRANODIORITE (c); BASALT (d))

EOCENE (STOCKS, ETC.) AND OLDER

8 QUARTZ DIORITE (a); GRANODIORITE (b); MONZONITE (c), QUARTZ MONZONITE (d); AUGITE DIORITE (e); FELDSPAR PORPHYRY (f)

7 COAST PLUTONIC COMPLEX GRANODIORITE (a), QUARTZ DIORITE (b); QUARTZ MONZONITE, SOME GRANITE (c), MIGMATITE – AGMATITE (d)

JURASSIC

MIDDLE JURASSIC AND YOUNGER ?

6 GRANODIORITE (a), DIORITE (b), SYENODIORITE (c), MONZONITE (d), ALASKITE (e)

LOWER JURASSIC AND YOUNGER ?

MESOZOIC

RECOMMENDATIONS:

It is recommended that: (1) the area of the anomalous silt in the central part of the NEL 1 claim be followed up with further prospecting and sampling, and (2) the area further up ice be prospected to possibly determine the source of the altered boulders.

REFERENCES:

Grove, E.W. (1971) Map of the "Geology of the Unuk River - Salmon River - Anyox Map Area" BCDM Bulletin #63, 1986.

APPENDIX I

NORANDA EXPLORATION COMPANY, LIMITED

STATEMENT OF COST

DATE: April, 1987

PROJECT - NELSON CREEK
(NEL 1-4 CLAIMS)

TYPE OF REPORT - PROSPECTING

a) **Wages:**

No. of Days - 14
Rate per Day - $150.00
Dates From - August to October, 1986
Total Wages $ 2,100.00

b) **Food and Accommodation:**

No. of Days - 14
Rate per Day - $50.00
Dates From - August to October, 1986
Total Cost $ 700.00

c) **Transportation:**

No. of Days - 4
Rate per Day - $468.76
Dates From - August to October, 1986
Total Cost $ 1,875.04

d) **Analysis:**

4 silt samples @ $10.75/sample $ 43.00
30 element ICP and Au

6 rock samples @ $13.75/sample $ 82.50
30 element ICP and Au
Total Cost $ 125.50

e) **Cost of Preparation of Report:**

Author	$ 250.00
Drafting	$ 100.00
Typing	$ 100.00
Total Cost	$ 450.00

TOTAL COST **$ 5,250.04**

APPENDIX II

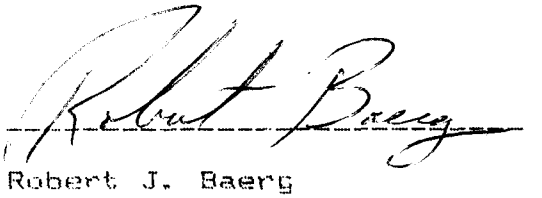
STATEMENT OF QUALIFICATIONS

I, Robert J. Baerg of the City of Prince George, Province of British Columbia, do certify that:

1. I have been employed as a geologist by Noranda Exploration Company, Limited since May, 1984.

2. I am a graduate of the University of British Columbia with a Bachelor of Science (Honors) in Geology (1984).

3. I supervised and assisted with the work described in this report.



Robert J. Baerg
Geologist
Noranda Exploration Company, Limited
(No Personal Liability)

APPENDIX III

ANALYTICAL PROCEDURES

The methods listed are presently applied to analyse geological materials by the Noranda Geochemical Laboratory at Vancouver. (March, 1984).

PREPARATION OF SAMPLES

Sediments and soils are dried at approximately 80°C and sieved with a 80 mesh nylon screen. The -80 mesh (0.18 mm) fraction is used for analysis.

Rock specimens are pulverized to -120 mesh (0.13 mm). Heavy mineral fractions (panned samples) are analysed in its entirety, when it is to be determined for gold without further sample preparation.

ANALYSIS OF SAMPLES

Decomposition of a 0.200 g sample is done with concentrated perchloric and nitric acid (3:1), digested for 5 hours at reflux temperature. Pulps of rock or core are weighted out at 0.2 g or less depending on the matrix of the rock, and twice as much acid is used for decomposition that that is used for silt or soil.

The concentrations of Ag, Cd, Co, Cu, Fe, Mn, Mo, Ni, Pb, V and Zn (all the group A elements of the fee schedule) can be determined directly from the digest (dissolution) with an atomic absorption spectrometer (AA). A Varian-Techtron Model AA-5 or Model AA-475 is used to measure elemental concentrations.

ELEMENTS REQUIRING SPECIFIC DECOMPOSITION METHOD

Antimony - Sb: 0.2 g sample is attached with 3.3 ml of 6% tartaric aid, 1.5 ml conc. hydrochloric acid and 0.5 ml of conc. nitric acid, then heated in a water bath for 3 hours at 95°C. Sb is determined directly from the acid solution with an AA-475, equipped with electrodeless discharge lamp (EDL).

Arsenic - As: 0.2 - 0.4 g sample is digested with 1.5 ml of 70% perchloric acid and 0.5 ml of conc. nitric acid. A Varian AA-475 equipped with an As-EDL measures the arsenic concentration of the digest.

Barium - Ba: 0.1 g sample is decomposed with conc. perchloric, nitric and hydrofluoric acid. Atomic absorption using a nitrous oxide-acetylene flame determines Ba from the aqueous solution.

Bismuth - Bi: 0.2 g - 0.3 g is digested with 2.0 ml of perchloric 70% and 1.0 ml of conc. nitric acid. Bismuth is determined directly from the digest into the flame of the AA instrument c/w EDL.

Gold - Au: 10.0 g sample sample (Pan-concentrates see below) is digested with aqua regia (1 part nitric and 3 parts hydrochloric acid). Gold is extracted with Methyl iso-Butyl ketone (MIBK) from the aqueous solution. Gold is determined from the MIBK solution with flame AA.

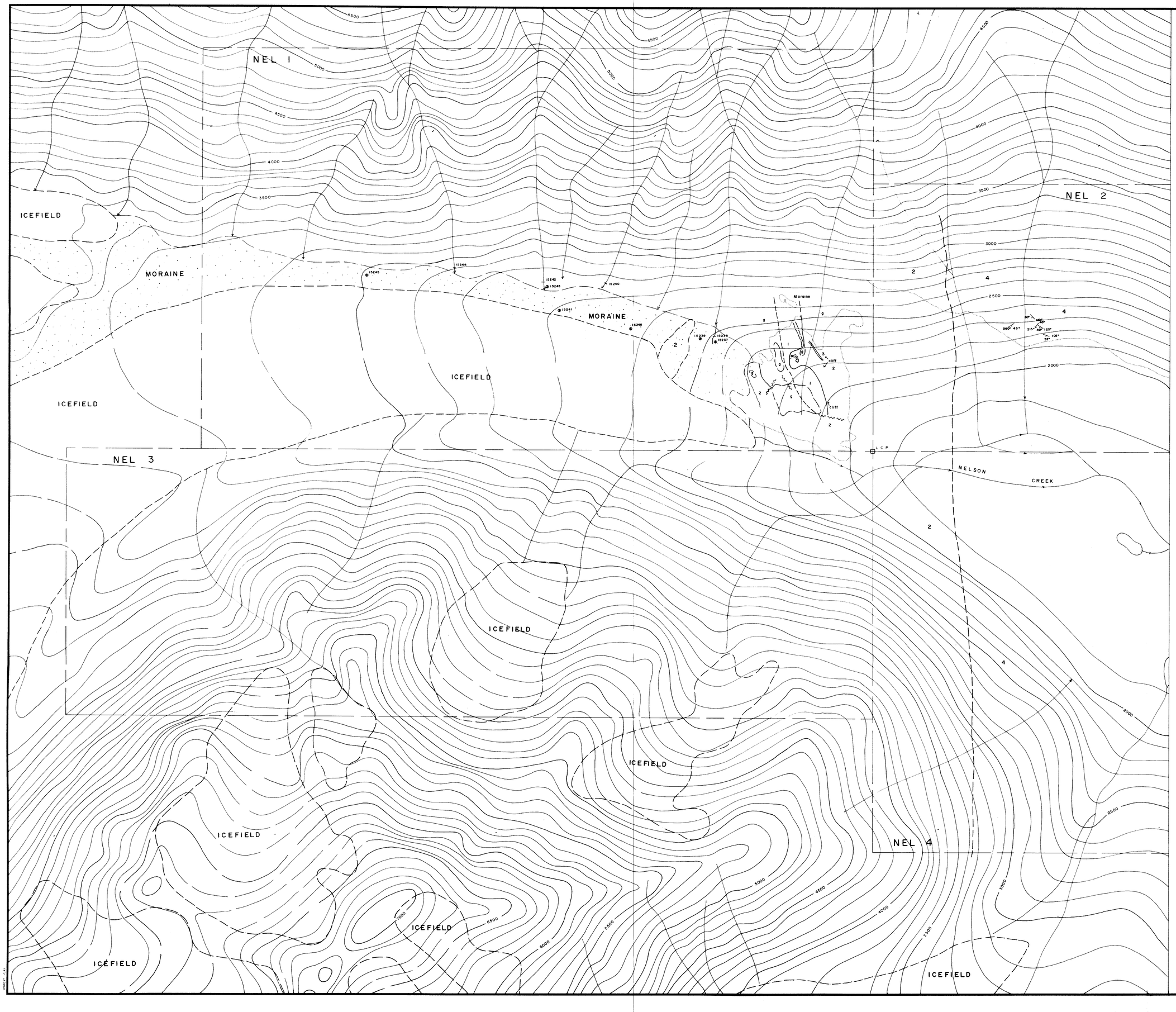
Magnesium - Mg: 0.05 - 0.10 g sample is digested with 4 ml perchloric/nitric acid (3:1). An aliquot is taken to reduce the concentration to within the range of atomic absorption. The AA-475 with a nitrous oxide flame determines Mg from the aqueous solution.

Tungsten - W: 1.0 g sample sintered with a carbonate flux and thereafter leached with water. The leachate is treated with potassium thiocyanate. The yellow tungsten thiocyanate is extracted into tri-n-butyl phosphate. This permits colourimetric comparison with standards to measure tungsten concentration.

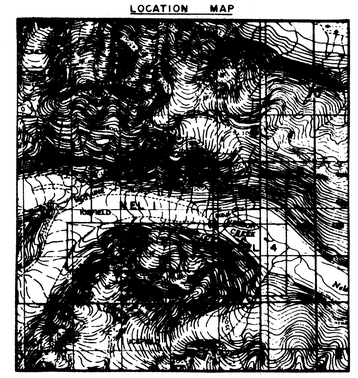
Uranium - U: An aliquot, taken from a perchloric-nitric (3:1) decomposition, usually from the multi-element digestion, is diluted with water and a phosphate buffer. This solution is exposed to laser light, and the luminescence of the uranyl ion is quantitatively measured on the UA-3 (Scintrex).

LOWEST VALUES REPORTED IN PPM

Ag - 0.2	Mn - 20	Zn - 1	Au - 0.01 (10 ppb)
Cd - 0.2	Mo - 1	Sb - 1	W - 2
Co - 1	Ni - 1	As - 1	U - 0.1
Cu - 1	Pb - 1	Ba - 10	
Fe - 100	V - 10	Bi - 1	



LOCATION MAP



0 1 2 3 Kilometres
SCALE 1:50,000

LEGEND

ROCK TYPES

1. Rhyolite, lapilli tuff, breccia - weak to moderate quartz - sericite - pyrite altered
2. Chloritic foliated lapilli tuff, chlorite - hematite - pyrite schist, andesite (?), volcanic greywacke
3. Siliceous, light green Hornblende Porphyry dyke
4. Black shale, argillite, siltstone, rusty, locally graphitic

ba	barite	q	quartz
bn	bornite	sc	sericite
cal	calcite	sp	sphalerite
chl	chlorite	stk. wk.	stock work
cpy	chalcopyrite	Tr	tetrahedrite
gn	galena		
hem	hematite		
mal	malachite		
py	pyrite		

SYMBOLS

- Outcrop area
- Geologic contact defined, inferred
- R., ● Rock, float sample
- SILT Silt sample
- Glacial till
- Icefield
- Strike and dip

TABLE OF ROCK AND SILT SAMPLE ANALYSIS.

ALL VALUES IN ppm EXCEPT WHERE NOTED

SAMPLE #	TYPE	No	Cu	Pb	Zn	Ag	As	Cd	Sb	Au (ppb)	Cu (oz/T)	Au (oz/T)
15237	float	1	182	46	435	0.8	244	3	4	10	-	-
15238	silt	3	83	20	201	0.4	68	1	3	30	-	-
15239	float	1	101	18	217	0.3	14	1	2	9	-	-
15240	silt	3	79	26	219	0.4	90	1	7	44	-	-
15241	float	3	9	16	4	0.1	24	1	3	1	-	-
15242	silt	4	129	31	138	0.6	88	1	7	385	-	-
15243	float	6	112	5	19	0.7	16	1	2	1	-	-
15244	silt	1	106	38	121	0.5	57	1	11	8	-	-
15245	float	3	29	9	2	0.1	19	1	6	1	-	-
15246	float	4	7	22	1	0.4	48	1	14	5	-	-

GEOLOGICAL BRANCH
ASSESSMENT REPORT

16,126

R. H. Berg June 15/87

NOTE: Topography based on photocopy enlargement of N.T.S. 1:50,000 scale map 104A/3,4

0 100 200 300 400 500 m
SCALE 1:5,000

REVISED	NEL CLAIMS
	PROSPECTING MAP
PROJ. No. 340	SURVEY BY: R.B. DATE: Aug. 1986
N.T.S. 104A/4,3	DRAWN BY: S.K.B. SCALE: 1:5000
DWG. No. FIG. 4	NORANDA EXPLORATION
	OFFICE: PRINCE GEORGE, B.C.