

87-598 - 16253
9/88

GEOCHEMICAL SURVEY
on the
MITZI NO. 1 & VERUNA NO. 1 CLAIMS

Trail Creek Mining Division

82F/4W
Lat 49° 0' ^{54"}~~30"~~ N
Long 117° ^{51'}~~51'~~ E 50'54"

FILMED

OWNER/OPERATOR: Sage Resources Ltd.
1108 - 409 Granville Street
Vancouver, B.C.
V6C 1T2

CONSULTANT: J.W. Murton & Associates

AUTHOR: J.W. Murton, P. Eng.

DATE: August 25, 1987

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

16,253

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1) SUMMARY

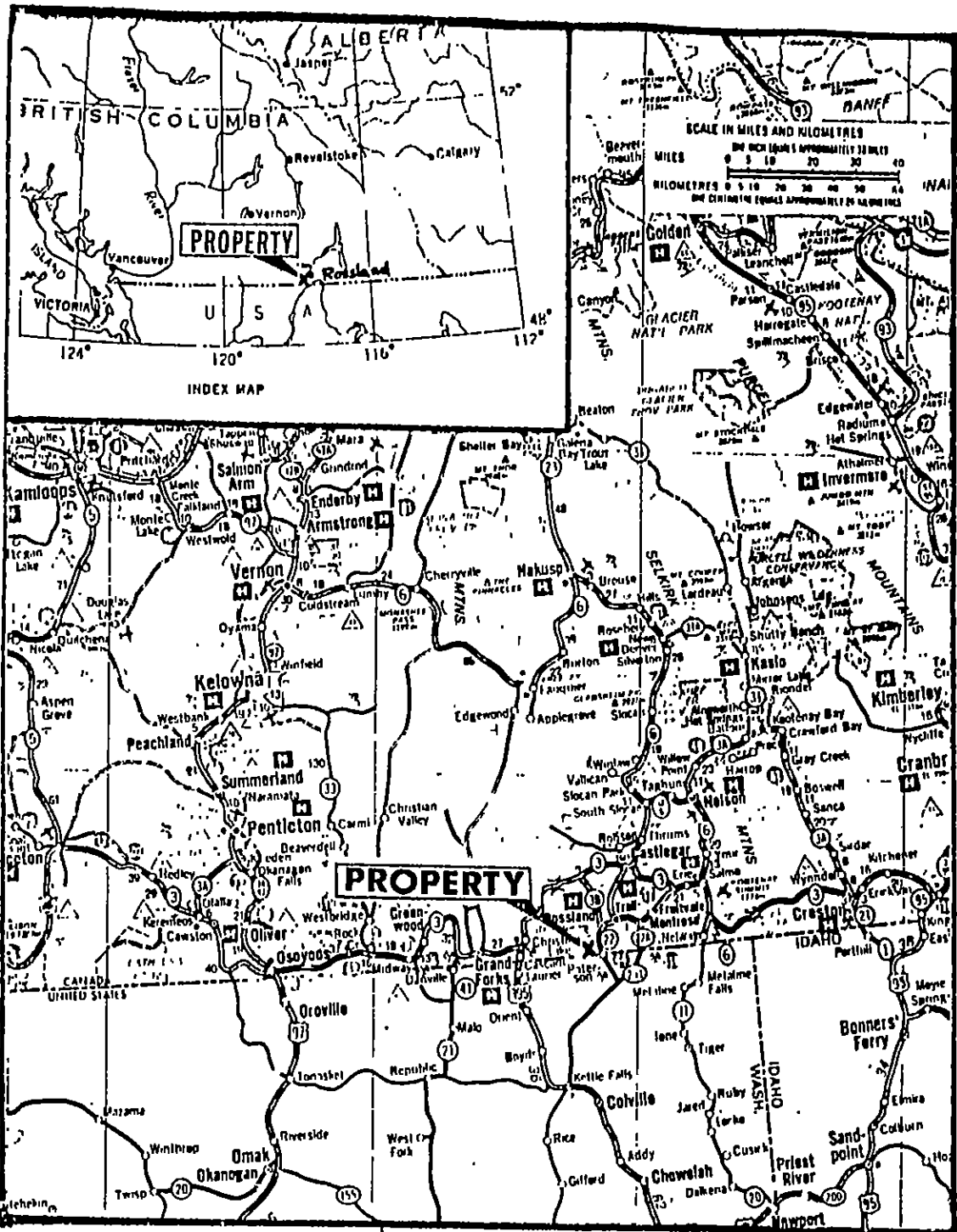
The Mitzi No 1 and Veruna No. 1 claims, in the Trail Creek Mining Division of south central British Columbia, are accessible from the town of Rossland, south through 14 Km of paved and 2 Km of gravelled road.

Jurassic intermediate to basic volcanic rocks of the Rossland Group underlie most of the property area. Carboniferous age pelitic, arenaceous and calcareous sedimentary rocks of the Mount Roberts Formation are found near the eastern perimeter of the property. These rocks were intruded by Tertiary porphyritic diorite and leucocratic granite stocks.

A study of air-photos disclosed three prominent sets of lineaments, striking north-south, northwest and east-west, across the property. Some of these are caused by fault and shear zones.

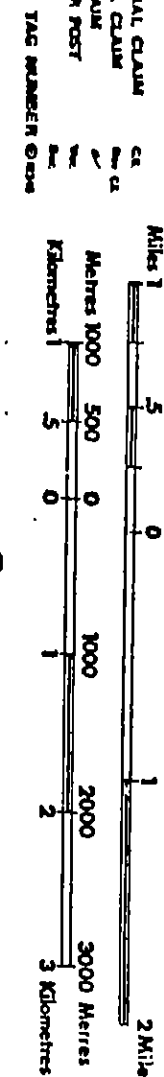
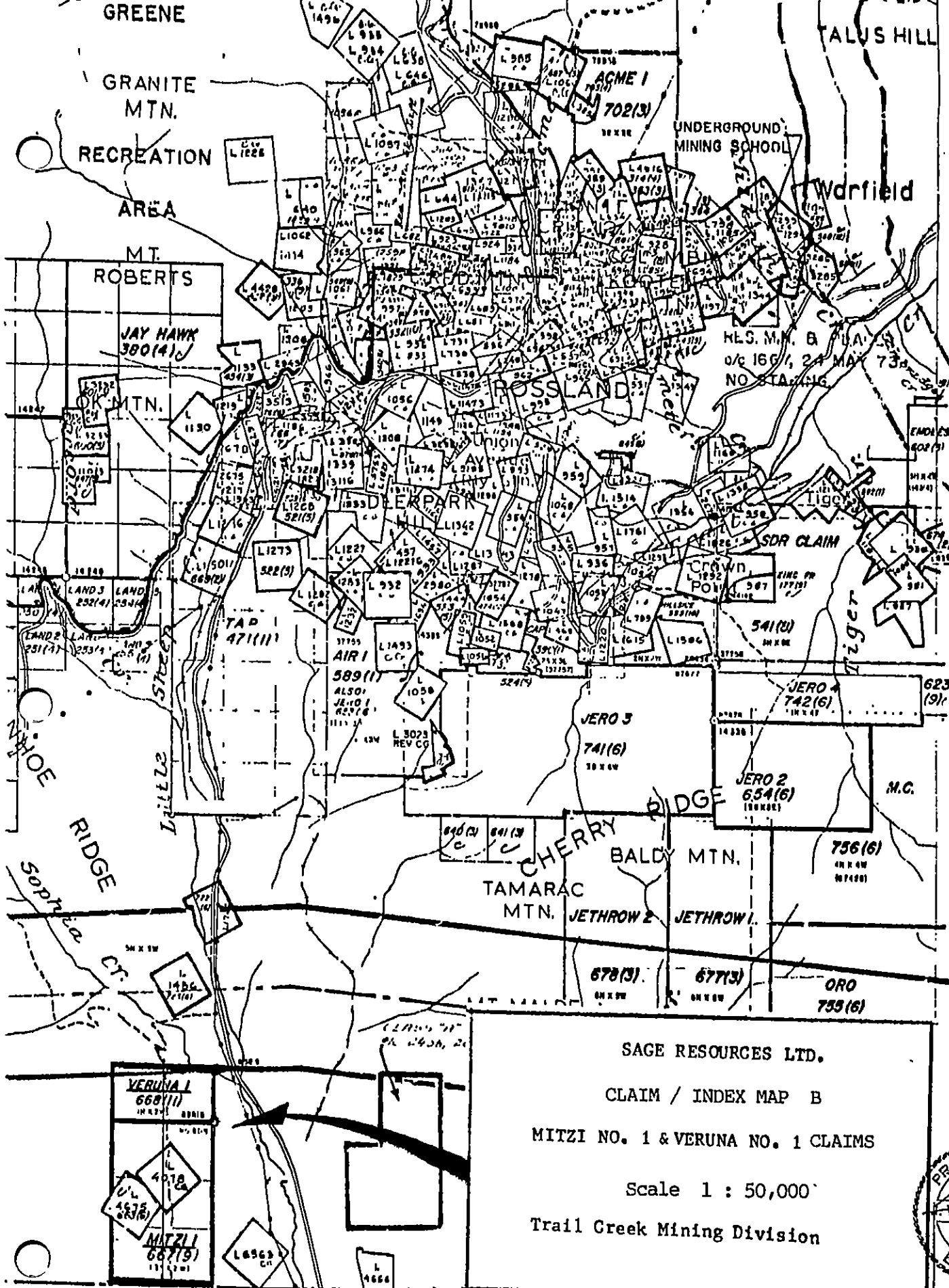
A 3.5 meter wide mineralized showing, at 05° Az. strike and dipping 75° east, occurs in a small andesite outcrop in the southwest quarter of Mitzi No 1 claim, unit 2. Mineralization consists of galena, sphalerite, pyrite, chalcopyrite and pyrrhotite occurring as dissemination and stringers with quartz veinlets within a shear zone. A chip sample taken in 1982 across a true width of 3.5 meters from the showing returned 2.84% Pb, 1.63% Zn, 0.8 oz Ag/ton and 0.005 oz Au/ton.

Geochemical soil sampling has proven to be an effective tool in outlining mineralized zones and should be conducted over the balance of the claim group.



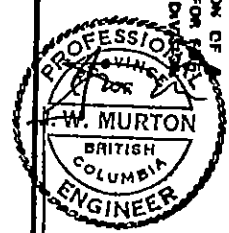
SAGE RESOURCES LTD.

LOCATION MAP A
 Mitzi 1 & Veruna 1
 Claims



UNLESS VERIFIED OR SURVEYED, THE MAP POSITION OF LEGAL CORNER POST IS BASED ON THE LOCATOR'S BEST AVAILABLE INFORMATION, APPLY TO THE OFFICE OF THE MINING DIVISION CONCERNED.

DATE OF MICROFILM: 83/09/01



SAGE RESOURCES LTD.
 CLAIM / INDEX MAP B
 MITZI NO. 1 & VERUNA NO. 1 CLAIMS
 Scale 1 : 50,000
 Trail Creek Mining Division

2) INTRODUCTION

At the request of Mr. Bill Slemko, President of Sage Resources Ltd, a geochemical survey was conducted over a portion of the Mitzi No. 1 & Veruna No. 1 claims to investigate the economic potential of the property as well as to satisfy current assessment requirements. This work was conducted during July 10-12, 1987, and the results are presented in this report.

3) LOCATION AND ACCESS

The Mitzi No. 1 and Veruna No. 1 mineral claims lie 8 km south southwest of Rossland in the West Kootenay District of south central British Columbia. The property lies on the east slope of Mount Sophie and its southern boundary is located at the Canada-U.S.A. international boundary. Road access from Rossland is by travelling southerly towards the Paterson border crossing on Highway 22 for a distance of 14 km, thence along a logging road for 2 km.

4) PROPERTY DESCRIPTION

The property consists of the following claims:

<u>Claim</u>	<u>Number of Units</u>	<u>Record Nos.</u>	<u>Expiry Date</u>
Mitzi No. 1	6	667	Sept. 1987
Veruna No. 1	2	668	Nov. 1987

The Mitzi No. 1 claim overstaked the crown granted claim L 4078 and the reverted crown grant L 4675.

The topography could generally be described as being between rolling and rugged. Elevation is between 760 meters to approximately 1060 meters above sea level, on the west side of the property. The slopes are fairly heavily timbered and there is approximately ten percent rock outcrop.

5) HISTORY AND ECONOMIC ASSESSMENT

The British Columbia Department of Mines Annual Report for 1946 reported that a 65 ton shipment was made from the enclosed Mountain Trail crown granted claim to the Cominco smelter at Trail. This shipment yielded 7 ounces of gold, 33 ounces of silver and 7,800 pounds of copper. The workings consist of two shallow inclined shafts that were sunk on iron stained but weakly mineralized steeply dipping shear zones striking at 330° Az. The sizes of the dumps indicate only minimal underground workings were completed.

A shallow inclined prospect shaft is located at the eastern corner of the enclosed Lone Star claim. It was sunk on an iron stained but weakly mineralized shear zone in unaltered basalt.

One mineralized occurrence was found while prospecting the Mitzi No. 1 claim in 1982. This showing is located in the southwest quarter of Unit 2 of the Mitzi No. 1 claim, and lies some 150 meters south of the southeast boundary of the Mountain Trail crown grant, and approximately 30 meters east of the Old Mountain Trail Road.

The above showing on the Mitzi No. 1 claim occurs in an andesite outcrop and is approximately 3.5 meters wide. A chip sample taken by S.

S. Tan, P. Eng., over 3.5 meters ran;	0.29% Cu
	2.84% Pb
	1.63% Zn
	0.8 oz/ton Ag
	0.005 ox/ton Au

In 1983, a geochemical orientation survey followed by a soil survey over a close spaced grid in the vicinity of the newly located mineral showing indicated a good correlation for Cu, Pb, Zn over the known mineralized area but with very limited dispersion.

6) WORK PROGRAM

During the period July 10-12, 1987, a geochemical soil sampling survey was conducted over the eastern section of the Veruna No. 1 claim and the northern edge of the Mitzi No. 1 claim.

Samples were collected on a chained and compass grid on lines approximately 100 meters apart with a sample spacing of 50 meters. All samples were collected with a mattock from a well developed "B" horizon at a depth of 10-20 cms, packaged in kraft sample bags and submitted to Acme Analytical Laboratories, 852 E. Hastings Street, Vancouver, B.C. The samples were dried, sieved to -80 mesh and weighed to half a gram. They were then digested in hot dilute aqua regia in a boiling water bath and diluted to 10 mls. with demineralized water. Determination of the elements: Mo, Cu, Pb, Zn, and Ag was done by ICP analysis.

The resulting values from the geochemical program were plotted on the accompanying Geochemical Maps, C-1 & C-2 at a scale of 1:5000.

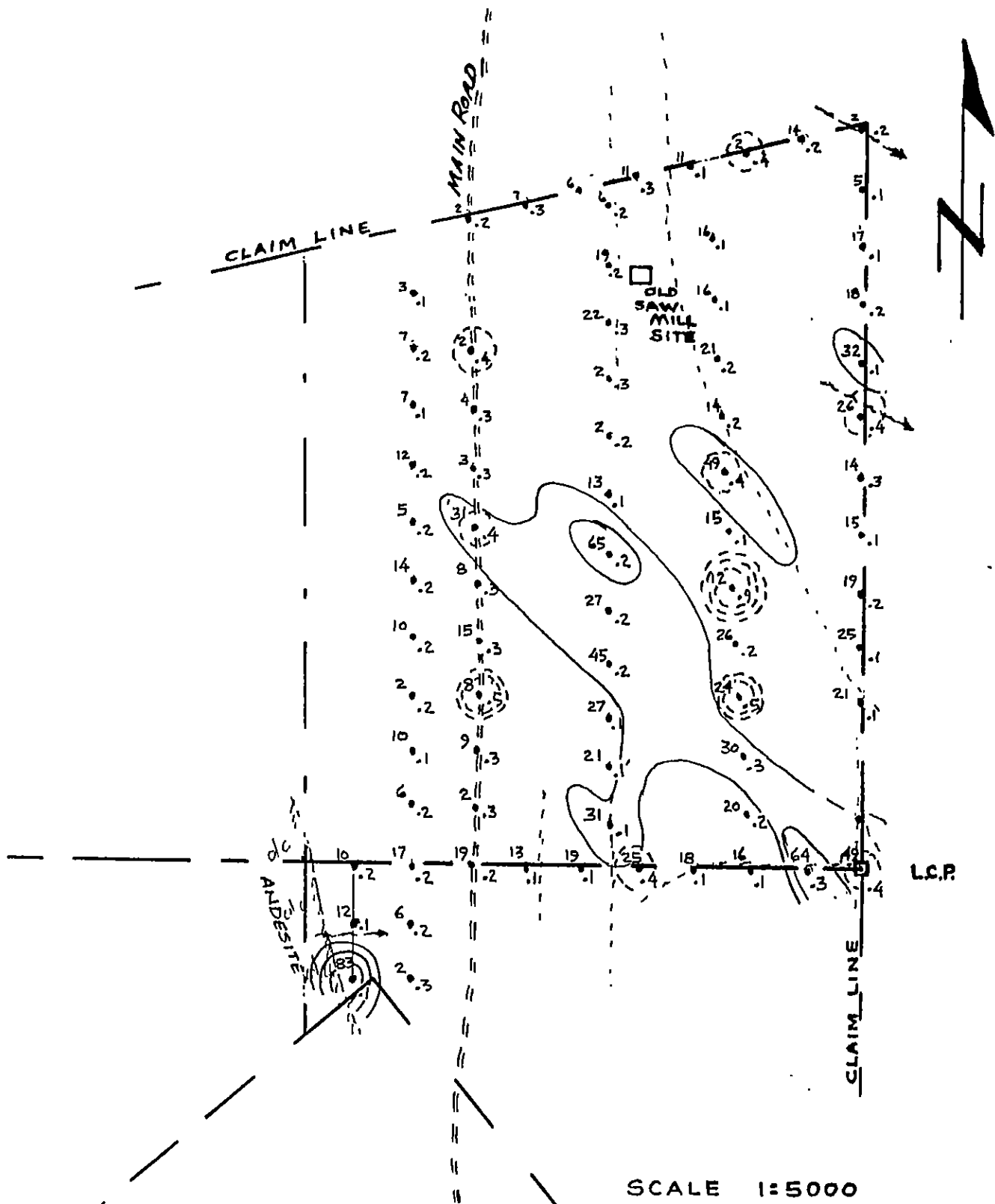
Statistical analysis of 74 data points is listed below.

<u>Element</u>	<u>Mean</u>	<u>S.D.</u>	<u>Threshold</u> <u>Mean + 1 S.D.</u>	<u>Anomalous</u> <u>Mean + 2 S.D.</u>
Cu	28	13	41	54
Pb	17	15	32	47
Zn	157	47	204	251
Ag	.2	.1	.3	.4

Mo values were all 1 ppm and are not discussed.

Earlier geological mapping of mineralized structures on the enclosed Mountain Trail C.G. and the Mitzi No. 1 showing indicated trends of 330° & 05°. These trends were referenced when contouring of the geochemical data was completed.

While no strongly anomalous areas were identified by the 1987 survey, a general zone in the east centre of the Veruna No. 1 claim may require further evaluation. Earlier soil sampling over the Mitzi No. 1 mineralized showing indicated very limited dispersion of metal ions (in the order of 25-50 meters) down slope. Zinc values progressed from 1500 ppm over the showing to 340 ppm within 50 meters, and copper from

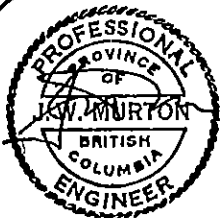


Mountain Trail
CG 4078

SCALE 1:5000
0 100 200 300 m.

LEGEND

ELEMENT	CONTOUR INTERVAL
Cu	40, 55, 70
Pb	30, 50, 70
Zn	200, 250, 300
Ag	.4 .5 .6



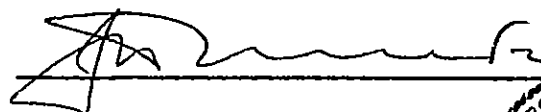
SAGE RESOURCES LTD.	
MITZI ^{#1} & VERLINA ^{#1} CLAIMS	
PLAN-SOIL GEOCHEM	
ELEMENTS - Pb / Ag	Pb ~ Ag - - -
ALL VALUES IN PPM.	
DATE: AUG. 25, 1987	
BY: J.W. MURTON P.ENG	MAP C-2

While no strongly anomalous areas were identified by the 1987 survey, a general zone in the east centre of the Veruna No. 1 claim may require further evaluation. Earlier soil sampling over the Mitzi No. 1 mineralized showing indicated very limited dispersion of metal ions (in the order of 25-50 meters) down slope. Zinc values progressed from 1500 ppm over the showing to 340 ppm within 50 meters, lead values progressed from 200 ppm over the showing to 45 ppm within 50 meters, and copper from 103 ppm to 28 ppm within 50 meters.

With the above dispersion in mind, the Pb/Zn anomaly at 4 + 50 W, 1 + 00 S warrants further detailed sampling, as does the area on lines 1 + 00 W & 2 + 20 W between 00 BL & 3 + 50 N.

7) COST STATEMENT

<u>Labour</u> - Geochemical Sampling & Reconnaissance Mapping, July 10-12, 1987			
Senior Geologist	3 days @ \$400.00/day	\$1,200.00	
Assistant	3 days @ \$100.00/day	<u>300.00</u>	\$1,500.00
<u>Other</u> - Travel, Food, Accomodation & Supplies			
			463.51
	Assay Charges (Acme Analytical)		370.00
	Report Preparation, Drafting, Typing		<u>1,500.00</u>
	Total Value of Work Performed		<u><u>\$3,833.51</u></u>




J. W. Murton, P. Eng.



8) CONCLUSION

The geochemical sampling program completed over a portion of the Mitzi No. 1 & Veruna No. 1 claims has indicated mildly anomalous values for Pb, Zn & Cu which warrant further investigation. The remainder of the claim group should be sampled on a reconnaissance basis and any area demonstrating anomalous values should be sampled in more detail.

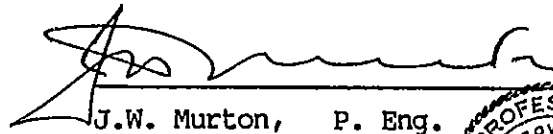

J. W. Murton, P. Eng.



C E R T I F I C A T I O N

I, J.W. Murton, of West Vancouver, British Columbia, do hereby certify that:

- 1) I am a member of the Association of Professional Engineers of the Province of British Columbia, registered in 1972, No. 8324.
- 2) I am a graduate of the University of Manitoba with a B. Sc. in Geology.
- 3) I have been a practising Engineer and Geologist since 1960 in Manitoba, Saskatchewan, British Columbia, Southwestern U.S.A., and Alaska.
- 4) This assessment report dated August 25, 1987 is based on information derived from work completed by myself and under my supervision on the Mitzi No. 1 & Veruna No. 1 claims during the period July 10-12, 1987


J.W. Murton, P. Eng.



West Vancouver, B.C.
August 25, 1987

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

DATE RECEIVED: JULY 12 1987
DATE REPORT MAILED: *July 29/87*

GEOCHEMICAL ICP ANALYSIS

.500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG.C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
THIS LEACH IS PARTIAL FOR MN FE CA P LA CR MG BA TI B W AND LIMITED FOR NA AND K. AU DETECTION LIMIT BY ICP IS 3 PPM.
- SAMPLE TYPE: SOILS -80 MESH

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

J.W. MURTON & ASSOCIATES SAGE-MITZI File # 87-2622 Page 1

SAMPLE#	MO PPM	CU PPM	PB PPM	ZN PPM	AG PPM
L5+00N 3+50W	1	27	2	117	.2
L5+00N 3+00W	1	20	7	161	.3
L5+00N 2+50W	1	18	6	139	.1
L5+00N 2+00W	1	22	11	248	.3
L5+00N 1+50W	1	20	11	132	.1
L5+00N 1+00W	1	39	2	128	.4
L5+00N 0+50W	1	17	14	149	.2
L5+00N 00W	1	14	2	109	.2
L4+50W 0+50S	1	17	12	188	.1
L4+50W 1+00S	1	23	83	340	.1
L4+00W 5+00N	1	20	3	137	.1
L4+00W 4+50N	1	12	7	187	.2
L4+00W 4+00N	1	22	7	113	.1
L4+00W 3+50N	1	35	12	157	.2
L4+00W 3+00N	1	17	5	149	.2
L4+00W 2+50N	1	39	14	189	.2
L4+00W 2+00N	1	27	10	123	.2
L4+00W 1+50N	1	20	2	157	.2
L4+00W 1+00N	1	16	10	184	.1
L4+00W 0+50N	1	26	6	139	.2
L4+00W 0+50S	1	12	6	184	.2
L4+00W 1+00S	1	16	2	175	.3
L3+50W 4+50N	1	34	2	89	.4
L3+50W 4+00N	1	23	4	160	.3
L3+50W 3+50N	1	41	3	141	.3
L3+50W 3+00N	1	46	31	106	.4
L3+50W 2+50N	1	24	8	137	.3
L3+50W 2+00N	1	26	15	137	.3
L3+50W 1+50N	1	27	8	171	.5
L3+50W 1+00N	1	26	9	158	.3
L3+50W 0+50N	1	32	2	75	.3
L2+20W 6+00N	1	26	6	127	.2
L2+20W 5+50N	1	20	19	176	.2
L2+20W 5+00N	1	44	22	115	.3
L2+20W 4+50N	1	28	2	120	.3
L2+20W 4+00N	1	20	2	108	.2
L2+20W 3+50N	1	24	13	164	.1
STD C	19	57	41	130	7.3

J.W. MURTON & ASSOCIATES SAGE-MITZI FILE # 87-2622

SAMPLE#	MO PPM	CU PPM	PB PPM	ZN PPM	AG PPM
L2+20W 3+00N	1	49	65	166	.2
L2+20W 2+50N	1	33	27	264	.2
L2+20W 2+00N	1	27	45	136	.2
L2+20W 1+50N	1	20	27	229	.1
L2+20W 1+00N	1	19	21	187	.1
L2+20W 0+50N	1	31	31	231	.1
L1+00W 5+50N	1	30	16	87	.1
L1+00W 5+00N	1	31	16	134	.1
L1+00W 4+50N	1	40	21	113	.2
L1+00W 4+00N	1	27	14	131	.2
L1+00W 3+50N	1	55	49	228	.4
L1+00W 3+00N	1	21	15	163	.1
L1+00W 2+50N	1	83	12	118	.9
L1+00W 2+00N	1	24	26	201	.2
L1+00W 1+50N	1	56	24	131	.5
L1+00W 1+00N	1	61	30	158	.3
L1+00W 0+50N	1	21	20	186	.2
L 00W 4+50N	1	29	5	77	.1
L 00W 4+00N	1	38	17	138	.1
L 00W 3+50N	1	20	18	112	.2
L 00W 3+00N	1	17	32	219	.1
L 00W 2+50N	1	36	26	155	.4
L 00W 2+00N	1	14	14	116	.3
L 00W 1+50N	1	17	15	173	.1
L 00W 1+00N	1	17	19	113	.2
L 00W 0+50N	1	20	25	171	.1
L 00W 0+25N	1	31	21	128	.1
00 BL 4+50W	1	23	10	116	.2
00 BL 4+00W	1	21	17	149	.2
00 BL 3+50W	1	19	19	140	.2
00 BL 3+00W	1	21	13	159	.1
00 BL 2+50W	1	29	19	180	.1
00 BL 2+00W	1	50	25	265	.4
00 BL 1+50W	1	22	18	123	.1
00 BL 1+00W	1	20	16	231	.1
00 BL 0+50W	1	31	64	195	.3
00 BL 00W	1	46	49	193	.4
STD C	18	58	40	132	6.8