

Report on the  
Coon, Toil, Ed No. 1 & Ed No. 2 Claims  
Latitude 49°41.24'N; Longitude 122°03'W  
New Westminster Mining Division  
British Columbia  
on behalf of  
LMX Resources Ltd.  
by  
John R. Poloni, B.Sc., P.Eng.  
March 23, 1987

16924

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**GEOLOGICAL BRANCH  
ASSESSMENT REPORT**

**16,924**

ARIS SUMMARY SHEET

District Geologist, Victoria

Off Confidential: 89.01.18

ASSESSMENT REPORT 16924

MINING DIVISION: New Westminster

PROPERTY: Coon  
LOCATION: LAT 49 41 42 LONG 122 03 36  
UTM 10 5504925 567793  
NTS 092G09E  
CLAIM(S): Toil, Ed 1-2, Coon 1-2  
OPERATOR(S): LMX Res.  
AUTHOR(S): Poloni, J.R.  
REPORT YEAR: 1987, 25 Pages

COMMODITIES

SEARCHED FOR: Gold

GEOLOGICAL

SUMMARY:

The property covers, in part, the Fire Lake Group of volcanic and sedimentary rocks. Green andesitic crystal tuffs, lapilli tuff, and breccia have been argillitized, sericitized, and silicified. Pyrite content ranges from 2% to 10%, which is the cause of numerous geophysical anomalies.

WORK

DONE:

Geochemical  
LINE 5.1 km  
SOIL 36 sample(s) ;AU,AG,CU  
Map(s) - 1; Scale(s) - 1:2500

RELATED

REPORTS:

10922,13600,14486

MINFILE:

092GNE024

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Coon, Toil, Ed No. 1 & Ed No. 2 Claims  
Latitude 49<sup>0</sup>41.24'N; Longitude 122<sup>0</sup>03'W  
New Westminster Mining Division

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92G 9E

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1.0 SUMMARY AND CONCLUSIONS

The Coon, Toil, Ed #1 and Ed #2 mineral claims have received programs of geology, geochemistry, geophysics, percussion and diamond drilling over a small area near the shore of Harrison Lake at Five Mile Bay during the period 1981 - 1985. This work returned some positive results with anomalous gold values to highs of 0.034 Au oz/T in percussion drilling and 0.028 Au oz/T in diamond drilling over 5.0 foot intervals.

The property covers, in part, the Fire Lake Group of volcanic and sedimentary rocks consisting of green andesitic crystal tuffs, lapilli tuff, and breccia, which near Five Mile Bay have been argillitized, sericitized, and silicified. Pyrite content is high ranging from 2-10% resulting in numerous geophysical anomalies being indicated.

Further work is necessary as recommended to properly define the indicated anomalies.

## 2.0 INTRODUCTION

LMX Resources Ltd. controls the Coon, Toil, Ed #1, and Ed #2 mineral claims situated at Five Mile Bay on the West Side of Harrison lake, at 49°41.25' North Latitude, 122°03' West Longitude, British Columbia, by option agreement with Diamond Resources Inc.

The property discovered as a result of a reconnaissance prospecting program by J.M.T. Services Corporation which was stimulated by interest in the area by discoveries at Rhyolite Resources to the south, was examined by Diamond Resources Inc. during 1982 - 1985. This work consisted of geological, geophysical, and geochemical surveys, percussion drilling and diamond drilling.

During February 1987, additional work entailed establishment of a survey grid for geochemical and geophysical surveys over untested areas and the completion of these surveys.

The author visited the property on several occasions during the Diamond Resources work and on February 25, 1987 for initiation of the recent surveys.

Property Location Map

Plan No. 1





PROPERTY



LMX RESOURCES LTD.		
PROPERTY LOCATION PLAN		
COON, TOIL, ED No.1, ED No.2		
NEW WESTMINSTER M.D.		
BRITISH COLUMBIA		
JOHN R. POLONI & ASSOCIATES LTD.		
Drawn: J.R.P.	Checked: J.R.P.	Plan No.
Scale: As shown	Date: March 23, 1987	1

**GEOLOGICAL BRANCH  
ASSESSMENT REPORT**

49°45'

122°00'

**16,924**

LILLOOET

RANGES

HARRISON

LAKE

ED No.1

COON  
1 & 2



ED No.2

TOIL M.C.

To Vancouver



EXPLORATION



LMX RESOURCES LTD.		
<b>CLAIM MAP</b>		
COON, TOIL, ED No.1, ED No. 2		
NEW WESTMINSTER M.D.		
BRITISH COLUMBIA		
JOHN R. POLONI & ASSOCIATES LTD.		
Drawn: J.R.P.	Checked: J.R.P.	Plan No.
Scale: As shown	Date: March 23, 1987	2

### 3.0 LOCATION AND ACCESSIBILITY

The property situated at Five Mile Bay on the west side of Harrison Lake is approximately 60 kilometers north of Harrison Mills and 160 kilometers northeast of Vancouver. The four claims, consisting of a total of 39 units, are described as being centered at Latitude  $49^{\circ}41.25'$  North, Longitude  $122^{\circ}03'$  West, N.T.S. 92G/9 in the New Westminster Mining Division.

Access is via four wheel drive vehicle along the West Harrison Forest access road north of Harrison Mills to Five Mile Bay. Only the last three kilometers requires four wheel drive. Buildings from an abandoned logging camp at Five Mile Bay provide temporary housing for field crews.

The exploration camp is also accessible by helicopter, float equipped aircraft, and a barge service supplied by RivTow from Harrison Hot Springs.

### 4.0 CLAIM INFORMATION

The property consists of three modified grid system claims called the Toil (20 units), Ed #1 (12 units), and Ed #2 (5 units) Claim Map, Plan No. 2 appended shows property location. Most of the work to date has been completed on the Toil Claim, Record No. 1285(9). The Coon two post claims are situated to the west of and contiguous to the Ed No. 1 and Ed No. 2 claims.

4.0 CLAIM INFORMATION, cont'd.

<u>Name</u>	<u>Units</u>	<u>Record No.</u>	<u>Expiry</u>
Toil	20	1285 ( )	Sept. 21, 1990
Ed #1	12	2598	Mar. 12, 1991
Ed #2	5	2599	Mar. 12, 1991
Coon #1		1716	Jan. 18, 1988
Coon #2		1717	Jan. 18, 1988

5.0 PHYSICAL FEATURES

The claims cover moderately rugged slopes on the south-westerly shore of Harrison Lake with elevations ranging from about 15 to 750 meters above sea level. Forest cover is mainly second growth fir and alder.

Five Mile Bay is the site of an old logging camp which was, in part, renovated to provide temporary housing facilities for exploration crews.

A hydro power line crosses the Toil claim along the West Harrison forest access road.

## 6.0 HISTORY

The history of the area dates to 1897-98 with gold discoveries on the west side of Harrison Lake at Fire Mountain. Small production of about 55 tons is reported from the Providence showing. Additional work was undertaken in 1929 and 1934, with poor success.

During the early 1950's the discovery of copper-zinc sulphides on the southwest side of Harrison Lake was recognized by Cominco geologists as being in a similar geological setting as the Kuroko and Noranda type environments.

The present interest in the area has been initiated by the discovery of gold-silver mineralization at Doctor's Point by Rhyolite Resources.

J.M.T. Services Corporation undertook a reconnaissance prospecting program near Five Mile Bay which initiated further work being completed by Diamond Resources Inc. during the period 1982 - 1985. During this time geological, geochemical, geophysical surveys, percussion and diamond drilling were undertaken near the shore line at Five Mile Bay.

This work has been reported on Mr. K.W. Livingstone on December 15, 1984, for J.M.T. Services, by Mr. C. Candy on May 4, 1985 for Glen E. White Geophysical Consulting Services Ltd., and by the writer for Diamond Resources on January 3, 1983, and June 13, 1985.

The June 13, 1985 report by the writer was on the diamond drilling of 1,723 feet (525.2 meters) in four holes designed to

6.0 HISTORY, cont'd.

test chargeability high-resistivity low areas and chargeability high-resistivity high areas with coincident anomalous gold responses either from soil, rock or percussion hole geochemistry. While results of the drill program were generally negative hole 85-4 did contain some anomalous responses (0.028 Au oz/T for 5.0' and 0.008 Au of/T for 5.0'). This hole tested a chargeability high-resistivity high Induced Polarization anomaly. Additional drilling is necessary to further examine coincident geochemical-geophysical anomalies.

7.0 GEOLOGY

The regional picture of the area has been described by Ray G.E. of the Ministry of Energy, Mines and Petroleum Resources in the "Harrison Lake Project" as follows, "The Harrison Lake fracture system forms a major southeasterly trending dislocation over 100 kilometers in length, which in part passes along, and parallel to, Harrison Lake. The system separates highly contrasting geological regimes (Roddick 1965; Monger 1970). To the northwest, the rocks include well-deformed supracrustals ... as well as highly foliated gneissic rocks and some younger granites. By contrast, the rocks on the southwestern side of the fracture are generally younger, are less deformed, and have suffered lower metamorphic grade; they

7.0 GEOLOGY, cont'd.

include a variety of volcanic, volcanoclastic, and sedimentary rocks, as well as intrusives granitic rocks and migmatites".

Gold mineralization is presently known to be found in the Fire Lake and Harrison Lake Groups. On the LMX Resources property gold soil and rock geochemical anomalies are found in the Fire Lake group of volcanic and sedimentary rocks. These units consisting of green andesitic crystal tuffs, lapilli tuff and breccia with interbedded rhyolitic breccia and argillitic sedimentary rocks have been altered in the central part of the property by silicification and clay-sericite alteration. Pyrite content is high, ranging between 2 - 10%.

Geochemical surveys outlined anomalous zones related to the zone of intense pyrite rich alteration near the shore of Harrison Lake. Percussion drilling was undertaken in an attempt to test geochemical anomalies as related to geology and alteration. Generally, as reported by Mr. Livingstone recoveries were poor, however, several anomalous sections were obtained in various drill holes; i.e. PDH #6 @ 25-30 assayed 0.034 Au oz/T and 150-155, 155-160 returned 0.016 and 0.012 Au oz/T respectively.

A Multiple Induced Polarization Survey was completed on the Toil claim during April 17-24, 1985 and reported on by Mr. C. Candy of Glen E. White Geophysical Consulting Services Ltd. on May 4, 1985.

As described by Mr. Candy the apparent chargeability background for the survey area was found to be high indicating a high

7.0 GEOLOGY, cont'd.

level of disseminated sulphids. Higher chargeability anomalies were outlined. Resistivity anomalies were also noted. In general, the survey outlined several zones requiring drill testing.

Some zones were drill tested in 1985 but additional drilling is necessary.

8.0 EXPLORATION SURVEYS 1987

To better define previously indicated coincident geochemical and Multipole Induced Polarization anomalies, a survey grid was established over areas previously untested by rotary or diamond drilling. This grid, totalling 5.1 km., consisted of an 800 meter east-west base line, grid lines at 100 meter intervals and survey stations at 50 meter intervals. Soil geochemistry was completed over lines 10, 11 and 12 to the west of the 1985 work. Induced Polarization geophysics was completed over all lines 3W to 12 West inclusive. Data is plotted in Plan No. 3 included in Appendix D and shown in reporty by White Geophysical covering the recent survey.

The 1987 work confirmed in detail and extended previously indicated geophysical anomalies. Three target areas warrant testing by diamond drilling. These are anomalies T, G and Q as shown on Plan No. 3, General Compilation.



## 9.0 RECOMMENDATION

A modest program of diamond drilling is recommended to test the three geophysical anomalies T, G and Q. Anomaly T is located on lines 3W and 4W. This anomaly has the highest coincident soil gold geochemistry with a value of 443 PPb.

Anomaly G is a circular geophysical anomaly on lines 8W and 9W with coincident 15 PPb gold geochemical response while anomaly Q being the most intensive covering three lines, is situated on the west side of the survey area.

To date, exploration surveys have been concentrated on the Toil claim. Preliminary reconnaissance is recommended to examine the Ed #1 and Ed #2 claims and the Coon claims.

Any additional work will be subject to the results of the recommended surveys.

Soil samples were taken, using a mattock, from the "B" horizon at 20 to 40 cm depth. Samples were placed in numbered Kraft bags and analysed by Min-En using standard methods. JK

Appendix A  
Estimated Cost of the Recommended  
Surveys

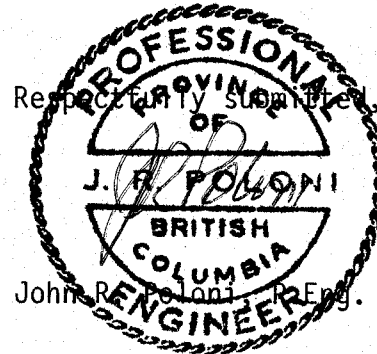
COST ESTIMATE

Phase 1

1.0	Diamond drilling on the three anomalies T, G and Q. Allow 1,500 feet (457.2 m) @ \$25.00/foot	\$ 37,500.00
2.0	Camp Costs	2,500.00
3.0	Assaying	3,000.00
4.0	Engineering - Supervision	7,000.00
5.0	Contingencies - 10%	5,000.00
TOTAL PHASE 1		<u>\$ 55,000.00</u>

Phase 2

This work will be success contingent on the results of preliminary work and will include further geochemistry, geology, geophysics and drill testing.



Appendix B  
Certificate

CERTIFICATE

I, John R. Poloni, of 5502 - 8B Avenue, in the Municipality of Delta,  
in the Province of British Columbia,

DO HEREBY CERTIFY THAT:

1. I am a Consulting Geologist.
2. I am a graduate of McGill University of Montreal, Quebec, where I obtained a B.Sc. Degree in Geology in 1964.
3. I am a Registered Professional Engineer in the Geological Section of the Association of Professional Engineers of the Province of British Columbia.
4. I have practiced my profession since 1964.
5. I am a Member of the Canadian Institute of Mining and Metallurgy.
6. I have personally visited the LMX Resources Ltd. property during May 1985, and on February 25, 1987.
7. I have no interest in the properties and securities of LMX Resources Ltd., nor do I expect to receive or acquire any.
8. I consent to the use of this report by LMX Resources Ltd. in a submission to the Vancouver Stock Exchange and/or the British Columbia Superintendent of Brokers, and to distribute all or parts of the report to the shareholders or other interested parties provided that the meaning is not altered by partial quotes.

Dated this 23rd day of March, 1987.



---

JOHN R. POLONI P. Eng.  
Consulting Geologist

Appendix C

References

REFERENCES

- 1.0 Monger, J.W.H. Paper 69 - 47, G.C.S. Hope Map Area, West Half, 1970.
- 2.0 Geological Map 1151 A, Pitt Lake. 1965.
- 3.0 Howell, W.A. December 17, 1982. Geochemical Report on the Toil Mineral Claim.
- 4.0 Livingstone, K.W. December 15, 1984, Percussion Drilling, Geology, and Geochemical Report, Toil Mineral Claim.
- 5.0 Ray, G.E., Coombe S. and White G., Harrison Lake Project (92 H/5, 12G/9).
- 6.0 Poloni, J.R., January 3, 1983, Report on the Toil Mineral Claim for Diamond Resources Inc.
- 7.0 Poloni, J.R. June 13, 1985, Report on the Diamond Drill Program, Toil Mineral Claim for Diamond Resources Inc.

COST STATEMENT

Time of Project:

March 2 - 8, 1987

Personnel:

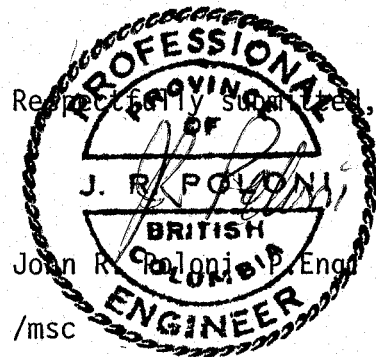
Jeffco Holdings ltd.	\$1,350.00	
Montrose, M.	<u>800.00</u>	\$2,150.00

Professional Services:

John R. Poloni & Associates Ltd.		<u>2,261.14</u>
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TOTAL

\$4,411.14  
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Appendix D

1.0 Assay Data

2.0 Maps

<u>No.</u>	<u>Description</u>	<u>Scale</u>
<del>Plan No. 2</del>	<del>Claim Map</del>	<del>As Shown</del> after page 3
Plan No. 3	General Compilation	1:2500

MIN-EN LABORATORIES LTD.

Specialists in Mineral Environments

705 West 15th Street North Vancouver, B.C. Canada V7M 1T2

PHONE: (604) 980-5814 DR (604) 980-4524

TELEX: VIA USA 7601067 UC

Certificate of GEOCHEM

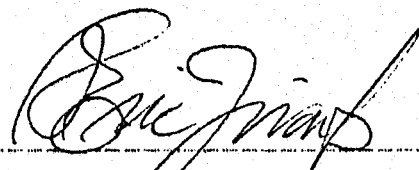
Company: JOHN POLONI  
Project:  
Attention: JOHN POLONI

File: 7-215/P1  
Date: MARCH 14/87  
Type: SOIL GEOCHEM

We hereby certify the following results for samples submitted.

Sample Number	CU PPM	AG PPM	AD PPM	
1	31	0.5	5	40MESH
2	29	0.6	5	20MESH
3	19	0.5	5	20MESH
4	8	0.6	5	20MESH
5	26	0.7	3	40MESH
6	17	0.6	5	
7	38	0.6	5	20MESH
8	13	0.4	10	
9	10	0.3	5	40MESH
10	15	0.7	5	40MESH
11	11	0.6	5	
12	15	0.6	5	
13	16	0.9	5	
14	8	0.5	10	
15	6	0.5	5	
16	20	0.8	20	40MESH
17	5	0.4	5	40MESH
18	12	0.6	5	
19	16	0.5	5	
20	45	0.9	3	
21	98	1.0	5	
22	55	0.9	10	
23	64	1.1	5	
24	34	0.7	5	20MESH
25	14	0.5	5	20MESH
26	23	0.8	5	
27	17	0.6	5	
28	11	0.6	5	
29	8	0.7	5	
30	23	0.5	5	

Certified by



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TELEX: VIA USA 7601067 UC

Certificate of GEOCHEM

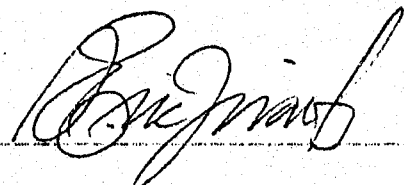
Company: JOHN POLONI  
Project:  
Attention: JOHN POLONI

File: 7-215/P2  
Date: MARCH 14/87  
Type: ROCK ASSAY

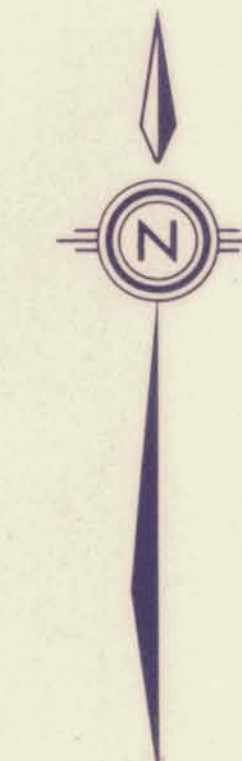
We hereby certify the following results for samples submitted.

Sample Number	CU PPM	AG PPM	AU PPB
31	23	0.9	5
32	6	0.5	5
33	18	0.8	5
34	29	0.7	5
35	61	1.2	5
36	24	0.6	5

Certified by

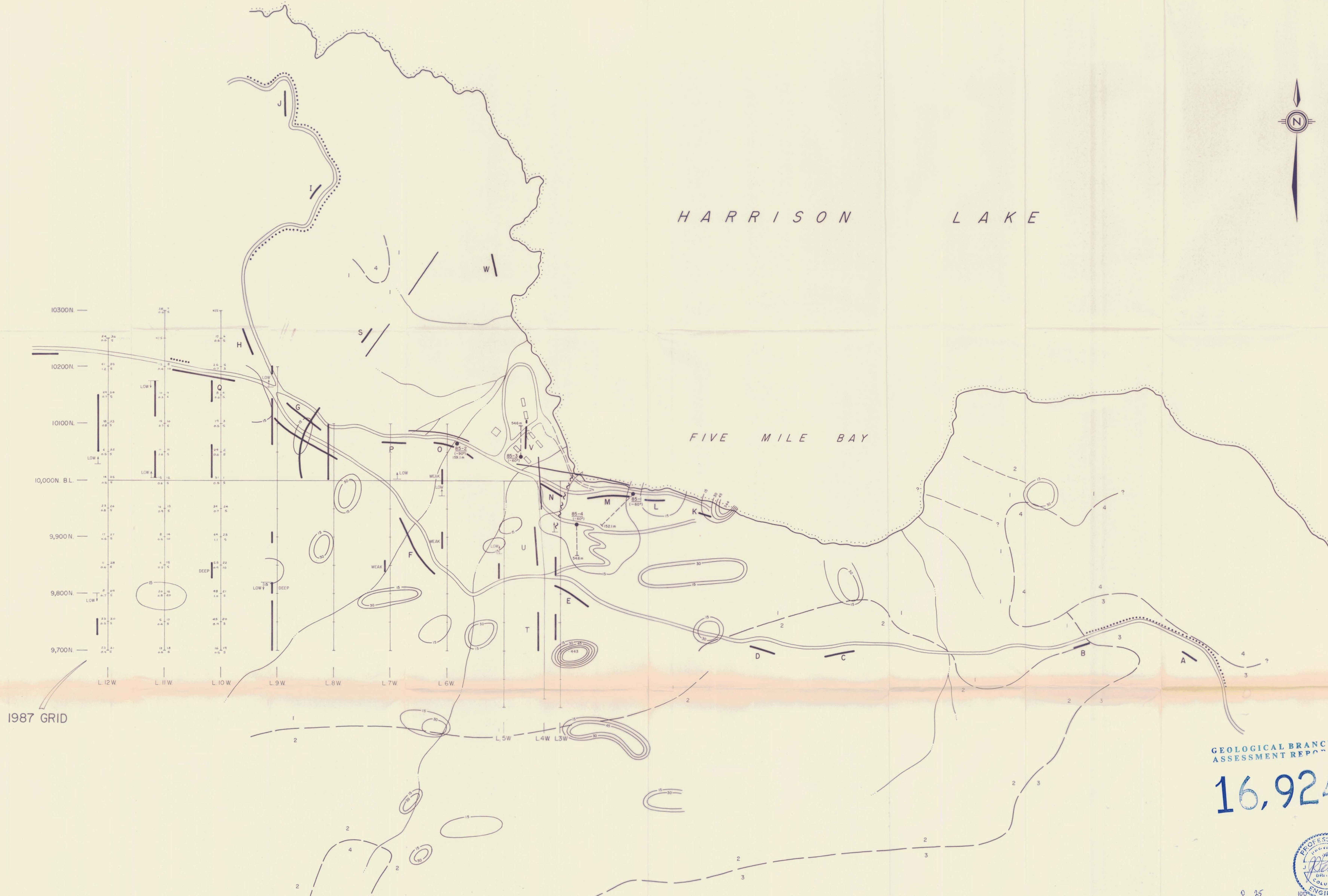


MIN-EN LABORATORIES LTD.



HARRISON LAKE

FIVE MILE BAY



1987 GRID

GEOLOGICAL BRANCH  
ASSESSMENT REPORT

16,924



0 25 100 METERS

LEGEND

- 4 FELDSPAR PORPHYRITIC ANDESITE  
SMALL PLUGS & DIKES
  - 3 ANDESITIC TUFFS
  - 2 CRYSTAL TUFFS
  - 1 MIXED CRYSTAL TUFF, ANDESITIC  
TUFFS, BRECCIA, MOTTLED SCHISTS,  
SERICITE SCHISTS, MINOR ARGILLITE
  - GEOLOGICAL CONTACT
  - DIAMOND DRILL HOLE
  - ACCESS ROAD
  - N.B. REF. MAP JMT SERVICES CORP.
- I.P. DATA
  - CHARGEABILITY HIGH
  - RESISTIVITY LOW
  - ..... RESISTIVITY HIGH
- GEOCHEMICAL DATA
  - Au / PPB
  - ⊕ GRID LINE AND SAMPLE LOCATION
  - ⊕ Cu ppm | Station No.
  - ⊕ Ag ppm | Au ppb

LIX RESOURCES LTD.

COON, TOILED No. 1, ED No. 2

**GENERAL COMPILATION**

NEW WESTMINSTER MINING DIVISION  
BRITISH COLUMBIA

JOHN R. POLONI & ASSOCIATES LTD.

DRAWN	J. R. P.	CHECKED	J. R. P.	PLAN No.
SCALE	1:2500	DATE	MARCH 23, 1987	3