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CUNNINGHAM CREEK CLAIMS

CHAPUT LOGGING LTD

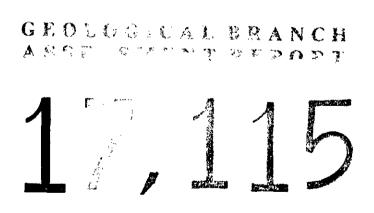
BARKERVILLE BC

CARIBOO MD NTS 93 A 14W

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JANUARY 1988

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PLAN

IN POCKET

Total Field Magnetometer Survey	•
	West Grid 🗹
	Central Grid
	East Grid
VLF EM Field Strength Survey:	
	West Grid 🧹
	Central Grid
	East Grid
VLF EM Dip Angle & Quadrature	
Surveys:	
_	West Grid 🖌
	Central Grid /
	East Grid
Geological Mapping:	
	West Grid 🖌
	Central Grid 🦯
	East Grid 🖉

IN POCKET (Cont)

Geological & Geophysical Interpretation: West Grid 📝 Central Grid 🦯 East Grid / Detail Grid: Total Field Magnetometer Survey Second Derivative Analysis of the Total Magnetic Field VLF EM Field Strength Survey, Cutler, Maine / VLF EM Field Strength Survey, Seattle, Washington / VLF EM Dig Angle and Quadrature Surveys, / Cutler, Maine VLF EM Dip Angle and Quadrature Surveys, Seattle, Washington Structural Interpretation From Geological and / Geophysical Study Detailed Geology of Adit with Magnetometer Study

INTRODUCTION

In August 1987, the author of this report was invited by Bill Blyth, of Coast Interior Ventures, to tour the Cunningham Creek Claims with Mr Wallace Chaput. A short report was produced at that time outlining an interpretation of the mineralizing process evidenced on the property. This report is a subsequent study undertaken for assessment purposes and to evaluate the property on the author's model of the mineralizing process assumed to be operative here.

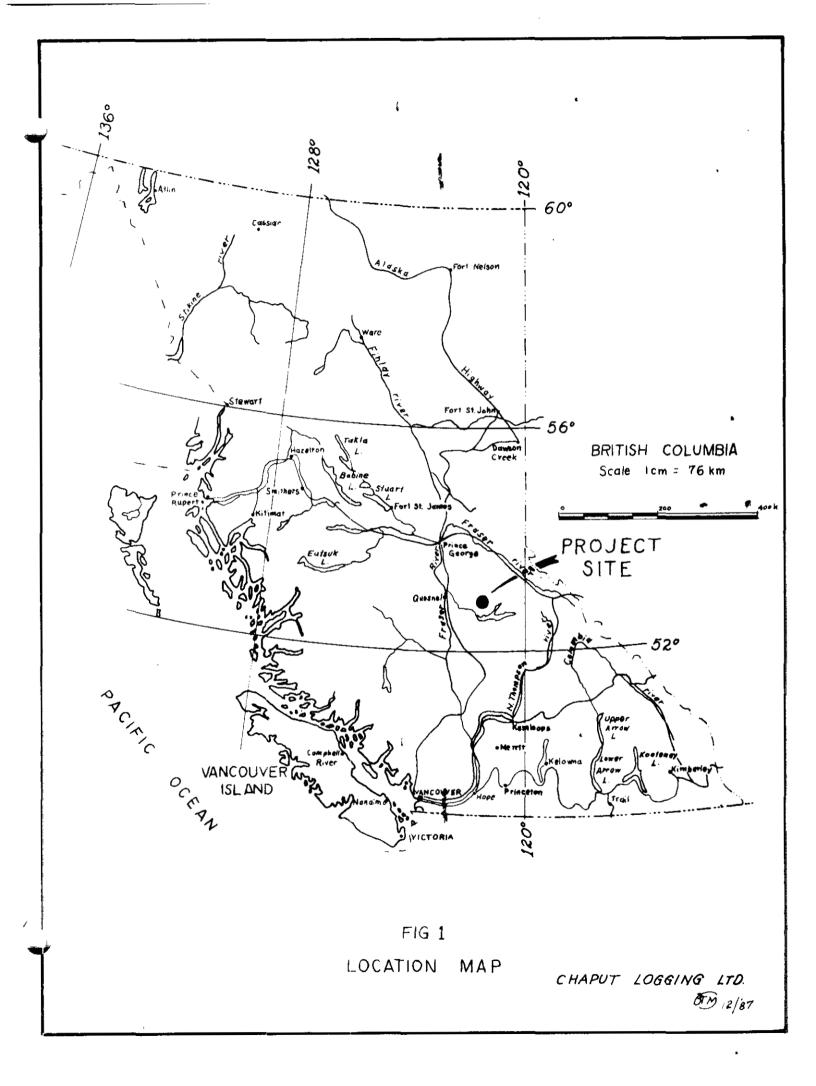
Discussion and examination of other geological endeavours in the area indicate that this model, briefly introduced in this study, is at variance with that used by these other companies. Dr Simon, a geologist from Yugoslavia, developed the model showing its ability to describe other BC deposits and its relation to plate tectonic theory.

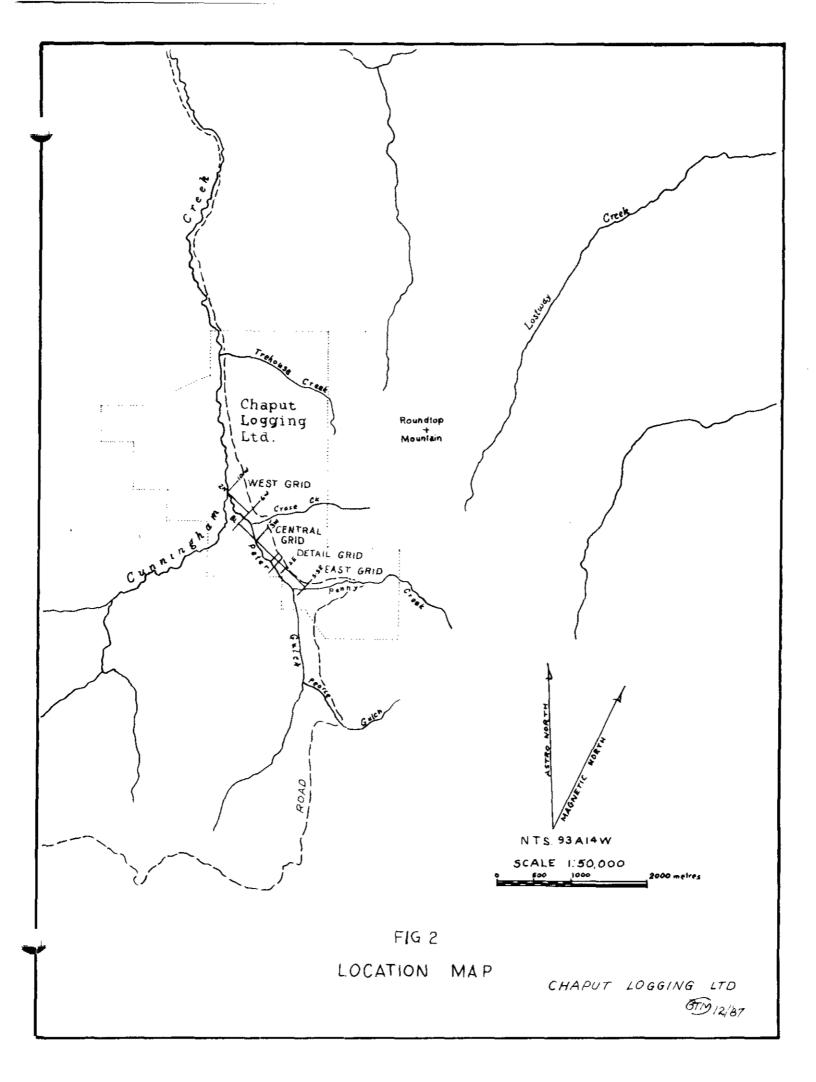
LOCATION AND ACCESS

The Cunningham Creek claims of Chaput Logging Ltd are situated in the area known as the Cariboo Gold Fields of British Columbia, see Fig 1. This claim group is accessible from the community of Wells by paved road 5 km east to Barkerville, thence the 3100 logging road for 14 km. From the 3100 logging road a series of mining roads follow Cunningham Creek south for 10 km. A total of 50 units compose the property which is in two claim groups: group number 2798 of 13 units includes the Park 1 to Park 12 and Tarn claims, group number 2576 of 37 units includes the Roundtop, Bon Fraction, Base Metal, and Silver Mountain claims. See Figure 2.

Topographic description of Location:

NTS 93 A 14W Latitude 52 55 N Longitude 121 20 W





HISTORY

Cunningham Creek was first worked for placer gold in 1860 by William Cunningham and is still being actively worked by several operators using heavy equipment. Gold mining from quartz veins started in 1922 on a tributary of Cunningham Creek, Peters Gulch, at the site of the Cariboo Hudson mine. The Cariboo Hudson mine area was also worked in the early 1950's for tungsten. Coast Interior Ventures Ltd explored for base metals between 1971 and 1974, their work included 130 km of geochemical sampled grid an IP survey and 1000 meters of diamond drilling. This work concentrated in the area of known high grade silver gold quartz veins. Coast Interior Ventures identified ll geochemical anomalies at that time.

Between 1973 and 1976 Kerr Addison did soil sampling on neighbouring claims for the purpose of identifying a large tonnage gold deposit.

Rio canex optioned the property from 1976 to 1978 and had a 20 man camp in the valley. Their work included: verification of Coast Interior Ventures geochemical anomalies, an extension of that geochemical program, they identified one more anomaly, geological mapping, a geophysical orientation survey to test four techniques to see if they would identify mineralization, trenching and diamond drilling. Due to a dissagreement Rio canex lost their option with Coast Interior Ventures.

Since 1978 there has been further exploration including the driving of a 60 meter adit and the milling of ores recovered from that work.

REGIONAL GEOLOGY

The sediments that strike NNW ~ SSE through the region have been aged from the Proterozoic to Devonian, between 600 to 400 million years before present. Fossil evidence, Ordivician graptolites present in the shales, and Cambrian archaeocyathids in the associated limestones support a 500 million to 600 million years before present age.

The sediments are differentiated into two units: shales, known as the Midas or Isaac Formation and phyllites and schists known as the Snowshoe or Kaza Formation.

Their age relation to each other is open to argument. Both units have associated limestones that are very similar. The black colored shale unit increases in limestones content towards the top and siltstone and sandstones are present in it.

The age is significant as they are contemporary with similar sediments in Northern British Columbia and the Yukon that carry very economic lead and zinc values. These sediments have undergone deformation identified as broad anticlinal and synclinal structures with associated sub folding and faulting. Regional metamorphism evident in the area is of green schist facies.

LOCAL GEOLOGY

The mineralized quartz veins seen on Cunningham Creek, carry a diverse assortment of metals: gold, silver, copper, lead, zinc, tungsten, and possibly molybdenum. Of interest is the patterns seen in the veins.

Previously the association of these mineralized zones with carbonate rocks, coarse clastics, and graphitic shists was used to identify these as strata bound deposits. It may be that these are the most brittle units and have a tendency to shatter forming open voids as a plumbing system for subsequent guartz veining. The other rock units in the area when deformed just flowed plastically and no cavities were formed. The areas of known mineralization on this property are along a straight line trending from the North West to South East. To the North West on Nugget Mountain mineralization is exposed for over 450 meters. With the lead and zinc it shows an interesting pattern in gold values as determined by Rio canex's sampling: At the bottom of the hill sample 7820084 was 0.48 oz/ton gold. Up the hill 120 meters away gold values increase at sample 7820079 to 0.60 oz/ton gold. Another 60 meters up the hill gold values increase to 0.70 oz/ton in sample 7820158 which appears to be 5 meters wide. Beyond this point sampling is not as detailed. At 270 meters further a value of 0.21 oz/ton gold was assayed in sample 7820088, this is still mineable ore even in limited widths. This mineralization has an elevation relation to it.

LOCAL GEOLOGY (cont)

In the valley bottom the mineralization studied by this report is dominated by iron pyrites as a vein mineral though galena and sphalerite occur with it in the west grid in zoned veins.

Off the study grid on Penny Creek to the East the veins again carry abundant galena and sphalerite, tetrahedrite which with the added elevation brings out a similarity with Nugget Mountain. The lack of pyrite and interesting gold values also add to the similarity.

GRID GEOLOGY

The first area of geological study on the grid was the adit at 60s, 175E which is detailed in the plan labeled "Detailed Geology of Adit with Magnetometer Study". This occurrence is thought to be a key in understanding the mineralizing process over the whole area.

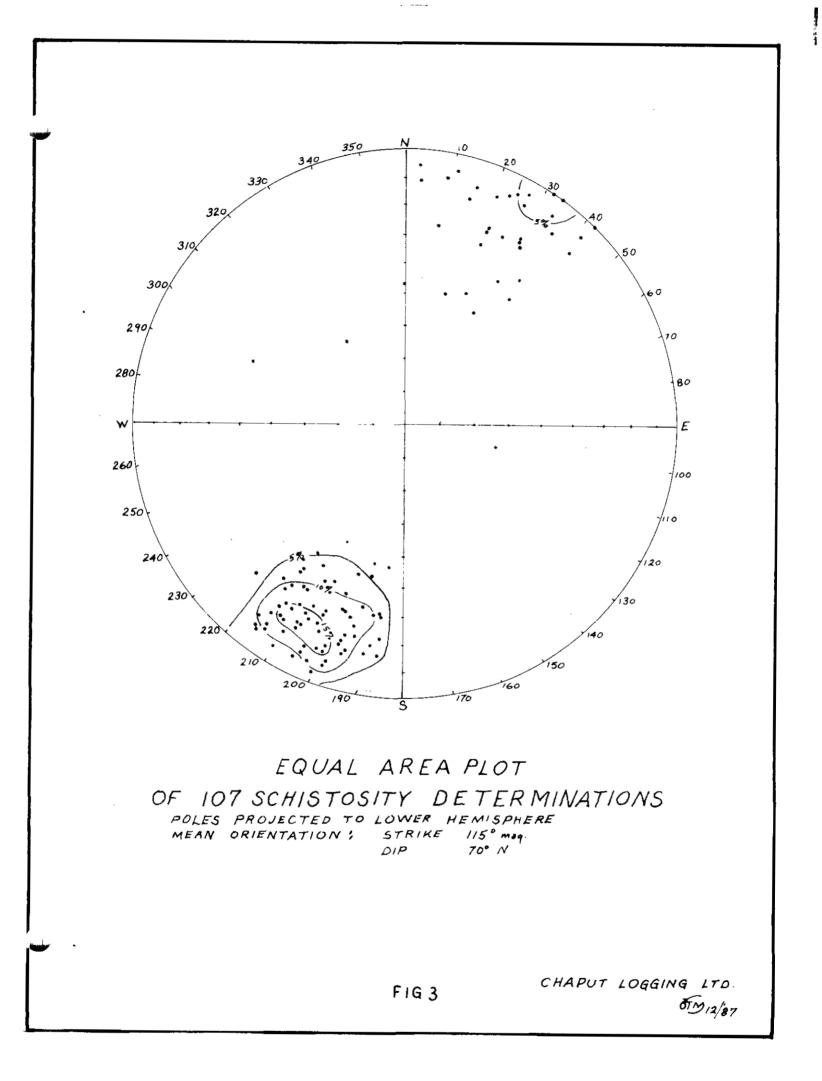
The rock seen in this occurrence is a buff brown sericitic quartzite which with minor variations is the rock seen throughout the four grid areas. Variations include: coarse quartz pebbles to 1 inch diameter, lenses of mica giving the rock a phyllitic appearance though not over a great area, greenish coloration suspected as being a chloritic alteration halo. The adit exposed a small but intersting pyrite vein, it was known to carry 6 oz/ton of gold. Of great significance is the junctioning or turning habit of the quartz veins indication centers of stress release. This is more in evidence when studying the area from portal to internal shaft as the rock is highly fractured. It is truly scary ground to be entering. In contrast, past the shaft the adit takes on a very safe, sound, appearance marking the change in rock stress environment. Other zonal patterns to be noted include sericitic gouge to be found in the shear frature that the adit follows. This gouge is thought to be representative of the halo zone identified as potassic alteration though restricted here in the shear at the location of zoned pyrite veins and the end of the adit where it suggests the approach of another pyritic vein.

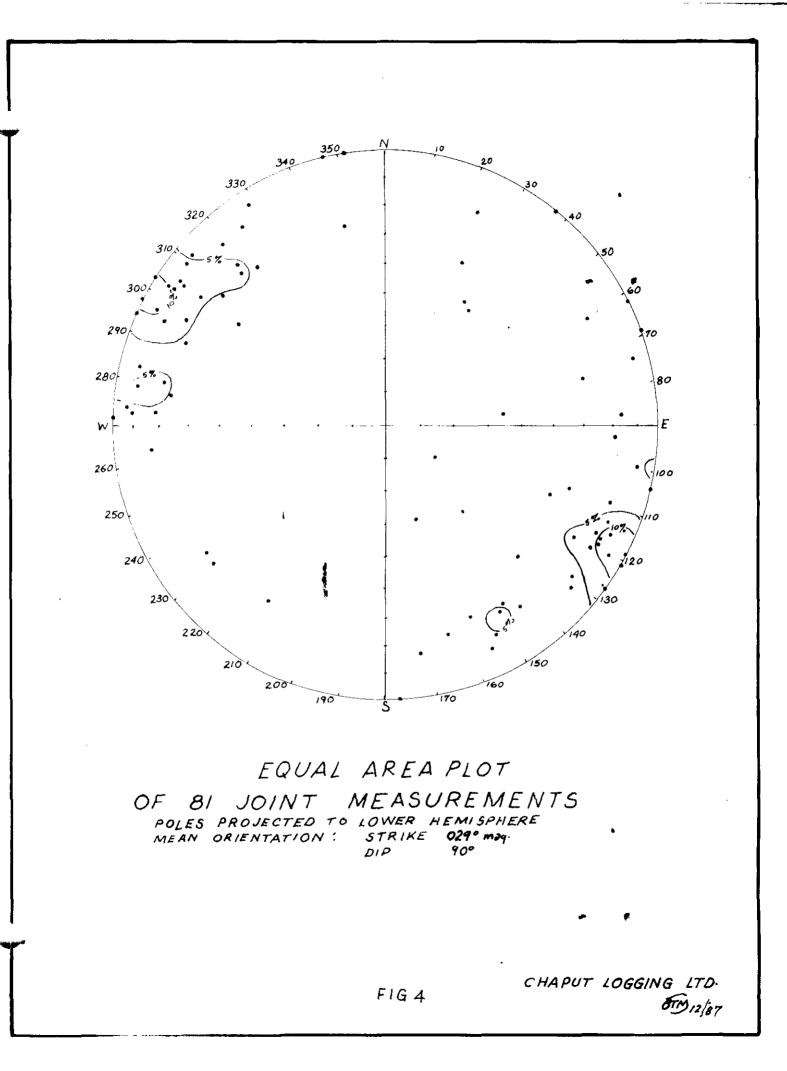
GRID GEOLOGY (Cont)

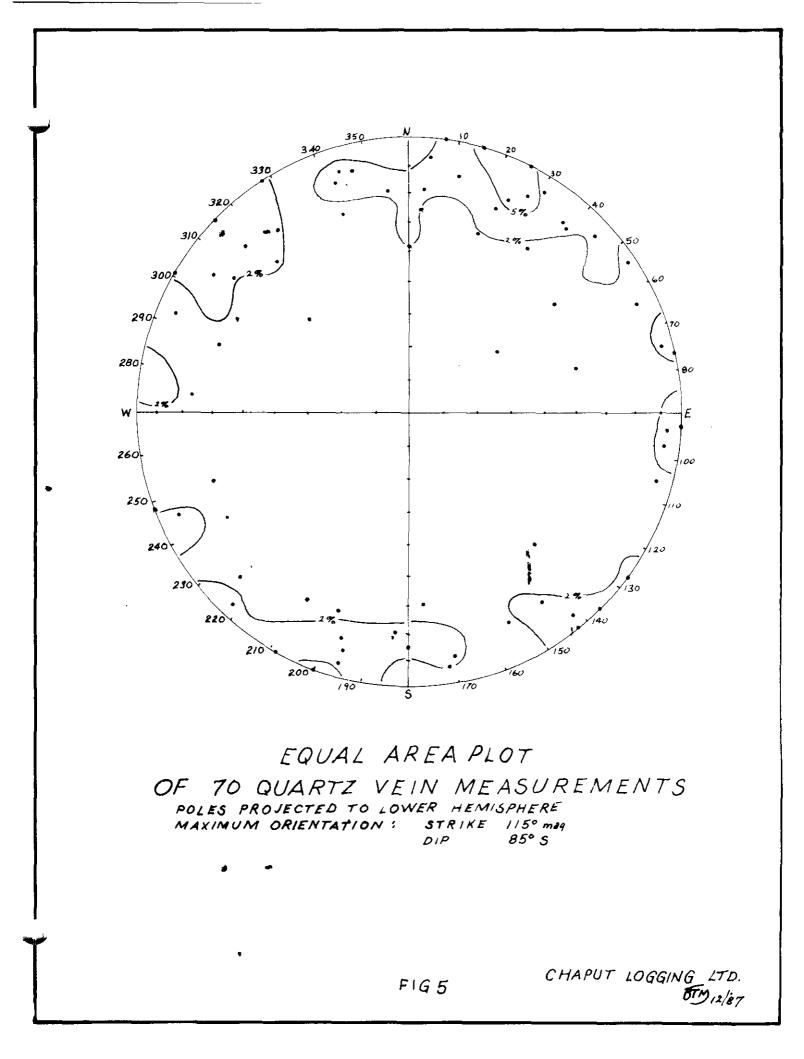
Another zonal pattern is the fan of quartz tension veins with ankeritic cores indicating the cap area of the intrusive. Also, typical of the cap zone are epidote and tourmaline of the variety schorl. These are not seen in this adit but are suspected closer to the intrusive. It is unfortunate the adit doesn't go another 10 meters where it might encounter another vein and better show the symetrical pattern of the mineralization.

The importance of structual orientations as indicated in the adit area prompted their further study throughout the grids. To facilitate this understanding the orientations of schistosity, joints, and quartz veins were plotted as poles projected to the lower hemisphere on equal area nets. See Figures 3, 4, and 5.

The schistosity is thought to parallel the bedding throughout the area as areas of pebble conglomerate bear the same orientation. The sericite which gives this dominantly quartzite rock a schistose character probably represents clay partings between the beds of quartz. The dispersion of poles to the NE quadrant probably represents the deep water drop off area of beach sediments. One pole in the NW quadrant is known to represent a limb of a Z fold though deformation is very minor in the quartzite unit.





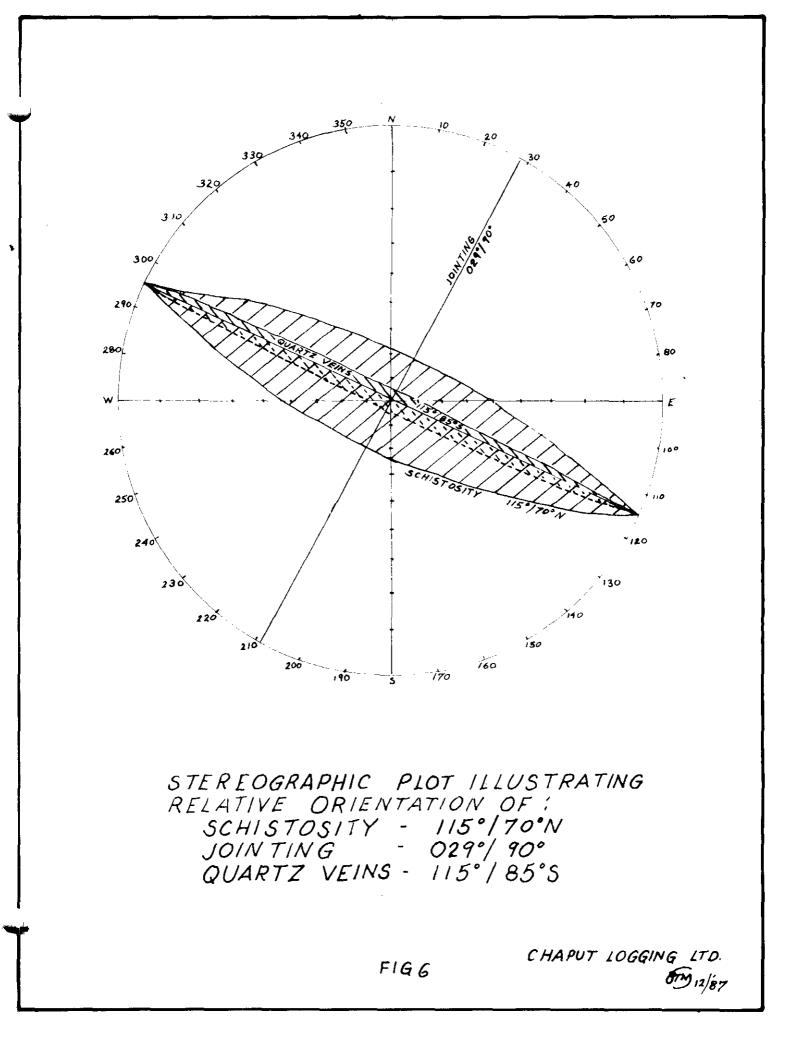


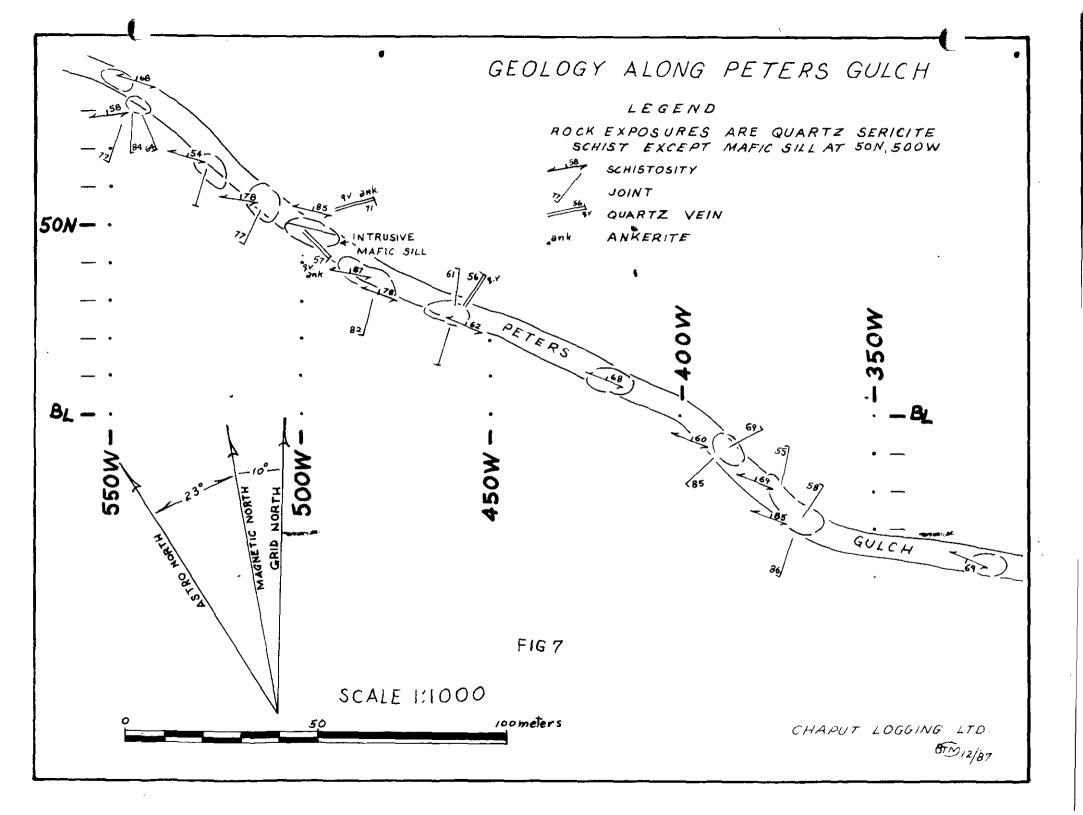
GRID GEOLOGY (Cont)

The jointing represented in **Figure 4** has prominant maxima which as illustrated in **Figure 6** are at right angles to the bedding. This is a very typical orientation of joints in all rock types probably indicating the ease with which tabular rocks break in this direction. One field observation of importance that seems to apply equally to quartz veins too is that they are not uniformly distributed throughout the area. Both jointing and quartz veins are abundant together in some areas and absent in others. It is believed they are an important tool to identify the location of mineralization.

The quartz veins are more diversely oriented than the joints though a maximum can be identified in the strike as the schistosity/bedding though different in its dip. More structural information may be present in the plot if the veins are categorized by whether they contain sulphides or ankerite.

A mafic sill was identified at 50N on 500W see Figure 7. When first observed this was thought to be a volcanic flow but observation of dike intrusives off the property indicated the similar occurrence. Jointing and veining with ankerite near this sill suggest this intrusives relationship to the mineralizing process.





GEOPHYSICS

This property has previously been explored using geophysical methods. Rio canex did an orientation survey to evaluate four techniques: Horizontal Loop EM, Double Dipole EM, Self Potential, and magnetics gave limited success. Both magnetic and EM techniques were used in this study.

The initial grid was cut from the east to the west and at the separation of 50 meters between lines very poor results were obtained. The mapping of the adit at 60s and 175 E indicated the location of an intrusive structure. That, and a weak structure indicated by the magnetometer survey prompted the cutting of a detail grid at 10 meters between lines. The weak structure was two magnetic high ridges with a trough between them to the west of the adit and on strike with the quartz ankerite vein fan in the adit.

At the closer grid spacing, 10 meters by 10 meters, both the magnetometer and VLF give interesting structural detail. It was also found that the survey days had to be picked to obtain the required accuracy. With the total field magnetometer which gives readings to one gamma, perfectly cloudless days had to be used as it was found that clouds caused reading drift in the range of 10 gammas. This is not acceptable when the total range of the readings is about 50 gammas. The VLF on the other hand gave a more stable response on uniformly overcast days, without thunder. The magnetometer survey is the more useable of the two methods due to its speed and greater precision.

GEOPHYSICS (Cont)

Comparing the two surveys it is seen they correlate very well indicating they are responding to the same structures. All of the grids were surveyed with VLF using Cutler, Maine as the transmitter. On part of the detail grid Seattle, Washington was used as transmitter, it also showed some correlation but gave very little new information.

The interpretation of these surveys is quite straight forward over the detail grid. The tension veins radiating laterally from the intrusive show up as weak magnetic highs and form dumbbell patterns or pairs on the sides of the intrusive. To the west the tension vein pattern disappears and an oblique or shear fracture is mineralized. The extreme west of the detail grid had the mineralization concentrated in a vertical tension vein or the intrusive cap. The postassic alteration halo is marked by a stronger magnetic response. This pattern has been seen in other deposits where drilling has revealed a strongly sericitized zone quite similar to the gouge seen in the adit. Iron was also being bound to oxygen as both specularite and magnetite halos when sulfur was depleted on the margins of the intrusive.

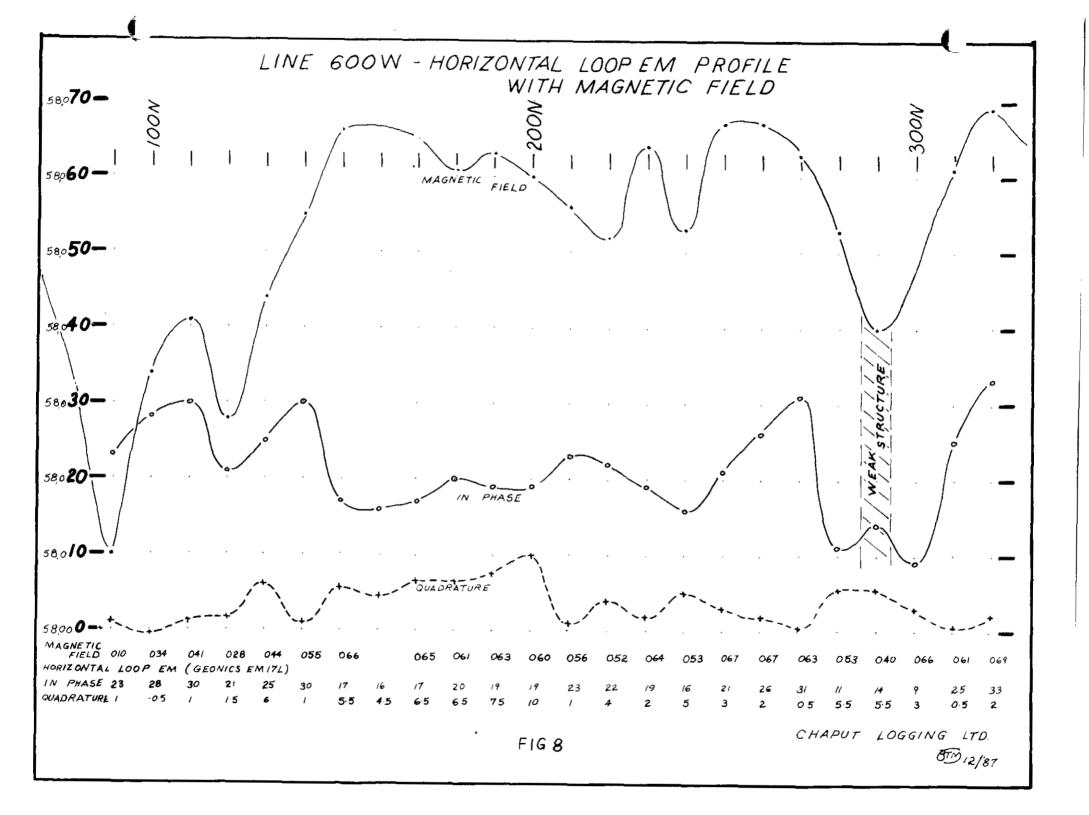
GEOPYSICS (Cont)

For interpretation purposes a second derivative may was calculated from the total field magnetometer survey on the detail grid. It added very little to the understanding of the structure. The value usually of the second derivative calculation is in picking structural boundaries and estimating depth. It is evident that the lateral tension veins are less than 10 meters or 30 feet deep. Due to their limited size accurate location is not possible at this grid separation. To better locate these veins an even more detailed grid is needed.

Another interesting halo to this intrusive is seen in the reverse quadrature response of the VLF survey. This response is the horizontal component of the EM field at right angles to the maximum field strength. It is supposedly related to vertical inductive structures, in this case it is possibly magnetite.

A short horizontal loop EM traverse was conducted while the assistance of Gary Young was available. The instrument used was Geonics EM 17L at 600 feet separation, that is approximately 190 meters between the transmitter and receiver. See Figure 8.

An intrusive should cross this line, 600W, between 200N and 300N. Though not wide enough for a typical cross over the response at 290 N is associated with a mag depression. It had been hoped that this instrument could have been used for determining the depth to the intrusive using several different coil separations but dissatisfaction with the survey prevented this application.



CONCLUSIONS AND RECOMMENDATIONS

A grid with 10 meter separation between lines and stations is necessary to locate the mineralized structures on this property. Though the VLF gives some added information the magnetometer is adequate in their definitions. The intrusive source is located accurately enough that it can be drilled with some hope of success in intersecting it. The interesting zone of the intrusive is the cap area which should be drilled vertically from above. Inclined holes are hazardous as they can pass under or away from the cap zone which is a thin narrow ribbon of mineralization.

The shallow tension veins becvause of their small size should be detailed with a smaller grid, possibly readings on 2 meter by 2 meter spacing. A backhoe is then probably capable of exposing these small, but possibly high grade veins.

SURVEY COSTS

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Three visits to the property by W Chaput for supervision including travel meals etc	\$1000
Initial report on property proposing exploration plans	\$ 310
Payed to Gary Younq for 3km grid, 25 Horizontal loop EM readings and travel	\$1000
Cut and surveyed grid, 11.51 km - 3 km = 8.51 km @ $300/km$	\$2553
Magnetometer survey 1274 readings @ \$2.00 each	\$2574
VLF survey 1274 readings @ \$2.00 each	\$2574
Geological mapping at same cost as mag. survey	\$2574
VLF survey on detail grid only 176 readings @ \$2.00	\$ 352
Horizontal Loop EM traverse 25 readings @ \$3.00 each \$25 to Gary Young	\$ 50
Cost for drafting, reproduction supplies	\$ 374
Typing and copy costs	\$ 160
Total value of exploration	\$13621

STATEMENT OF QUALIFICATIONS

I, Bryan T Muloin, am a graduate of Queen's University, Kingston, Ontario, receiving a bachelors degree in the Geological Sciences from the faculty of Applied Science in 1971. Since that time I have been actively employed in mining exploration.

Bryan T Muloin

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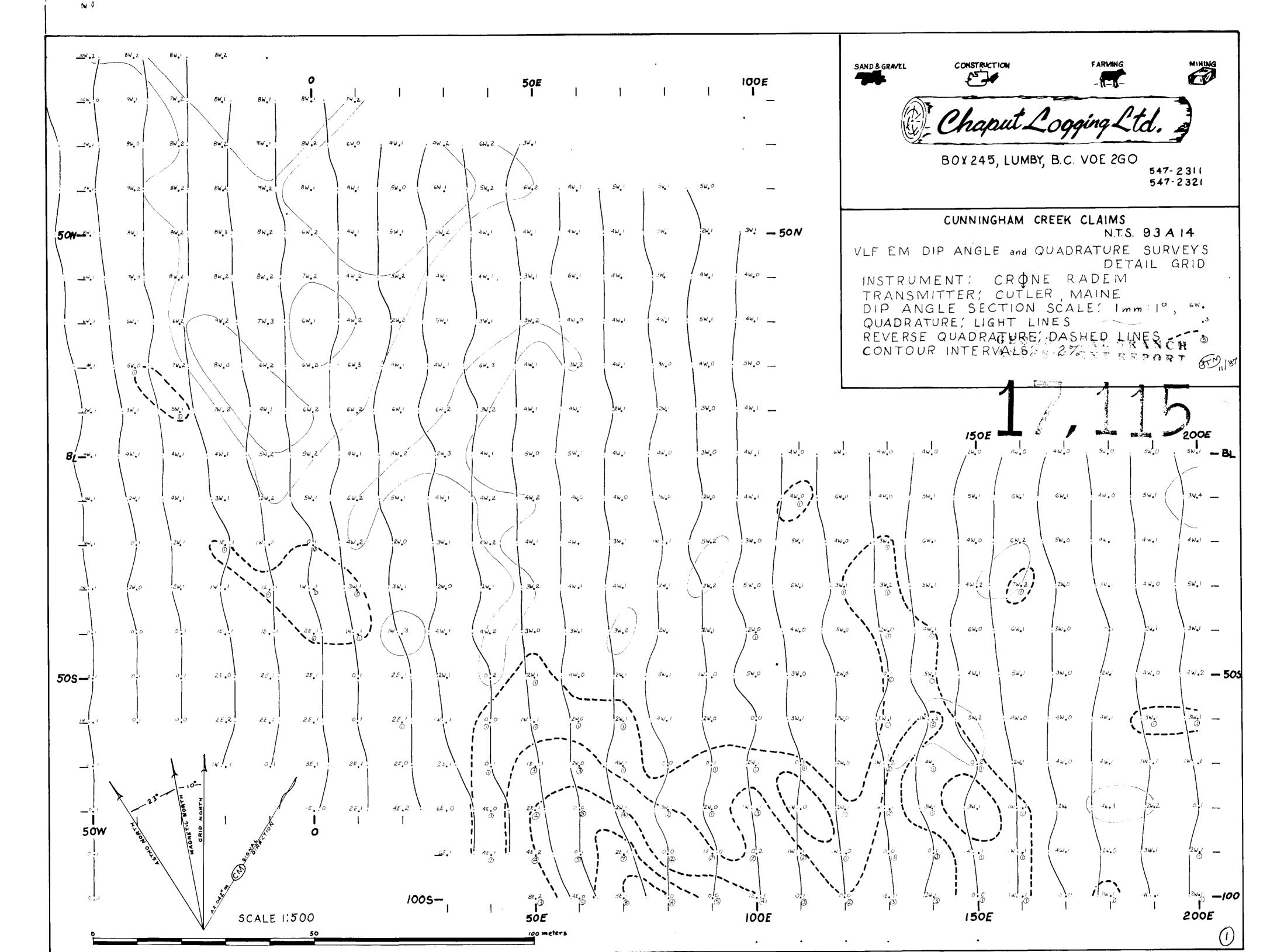
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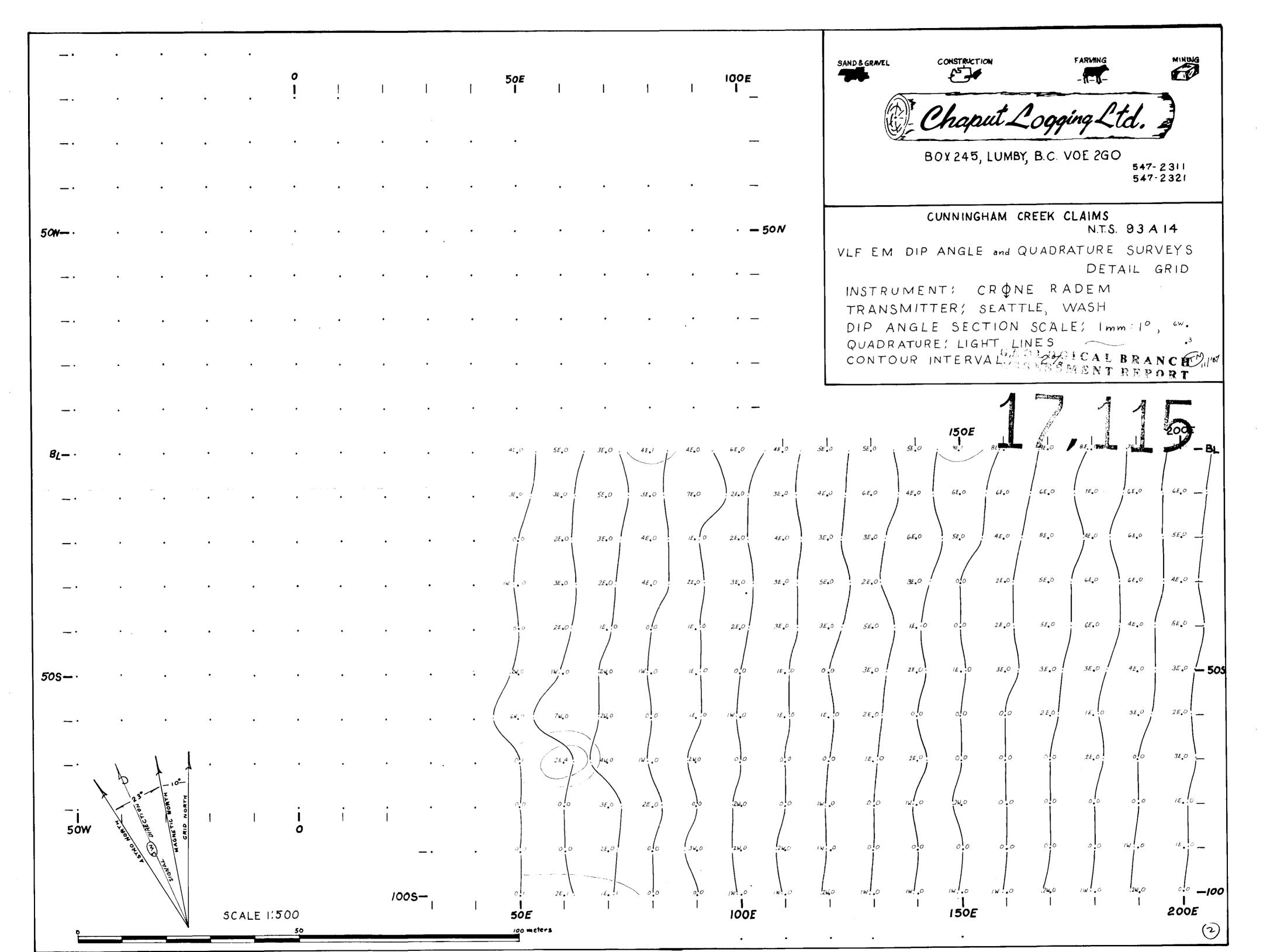
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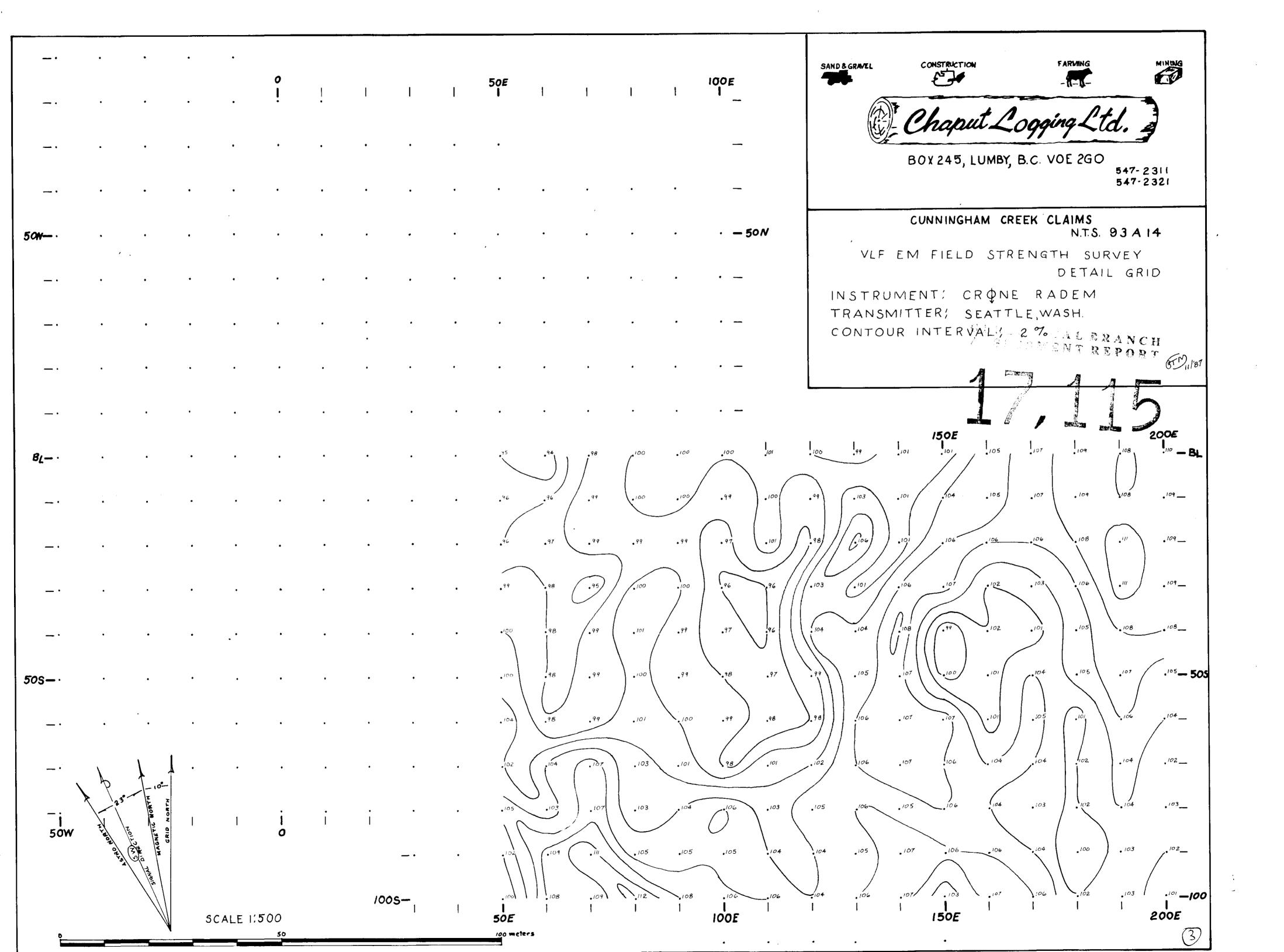
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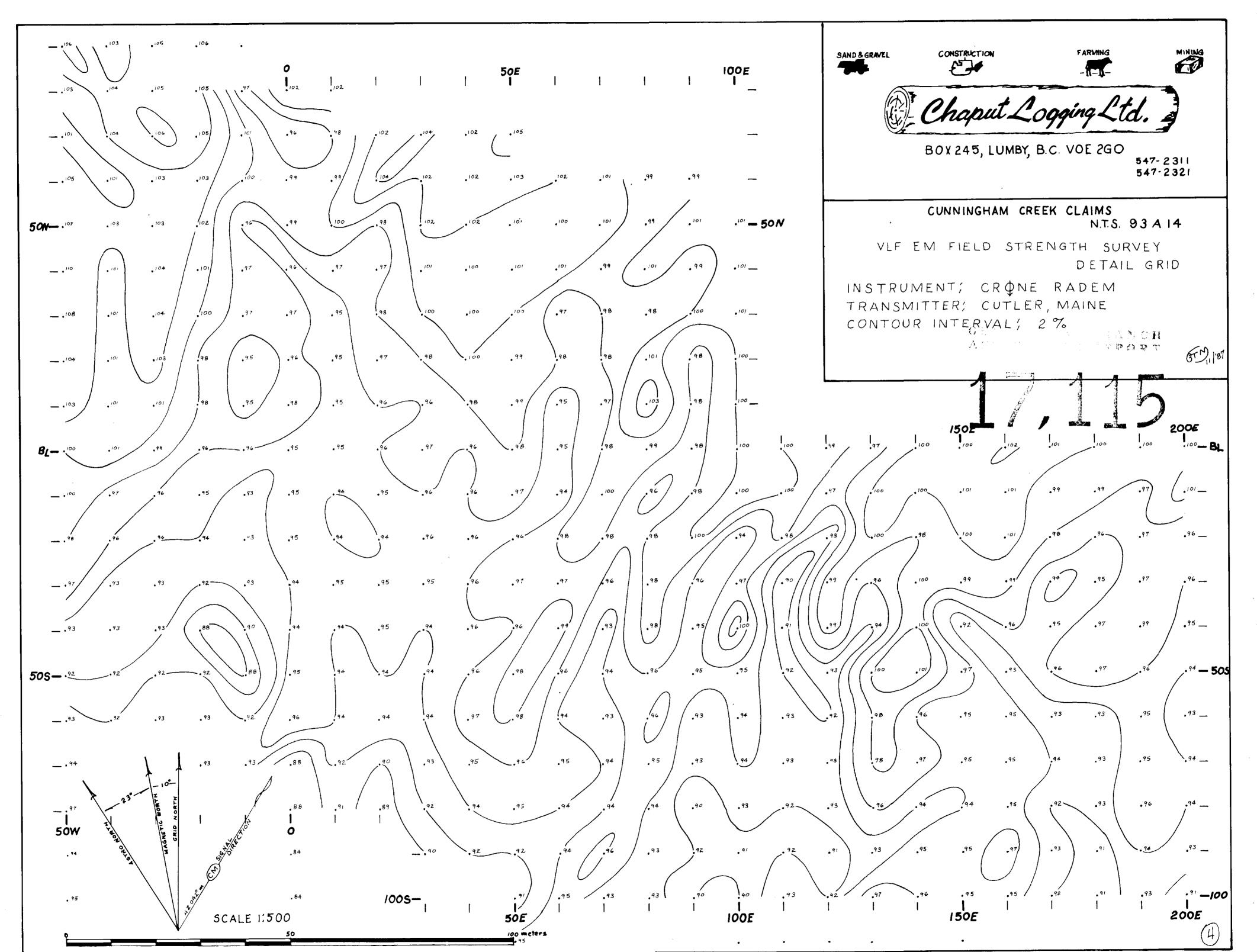
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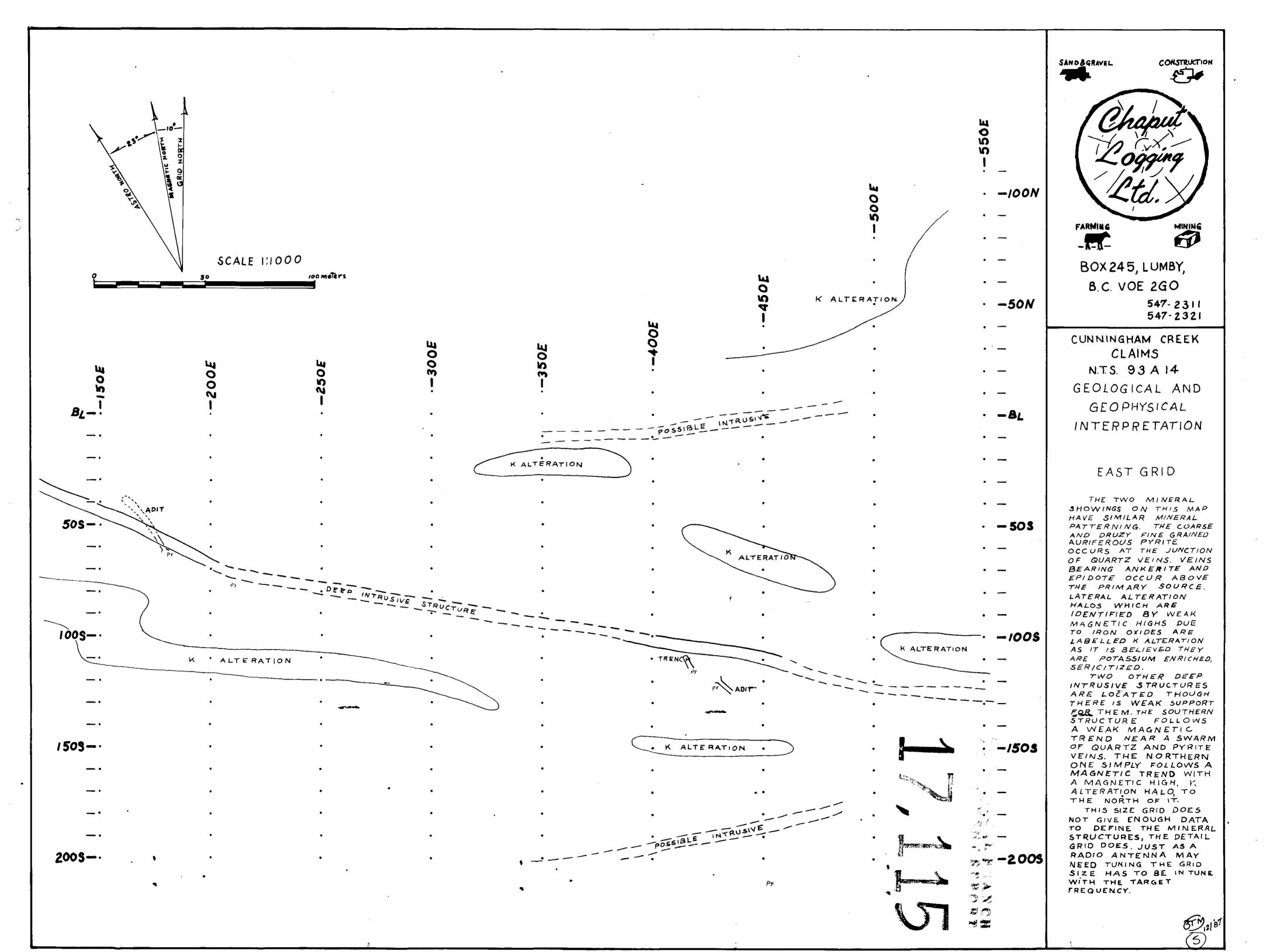


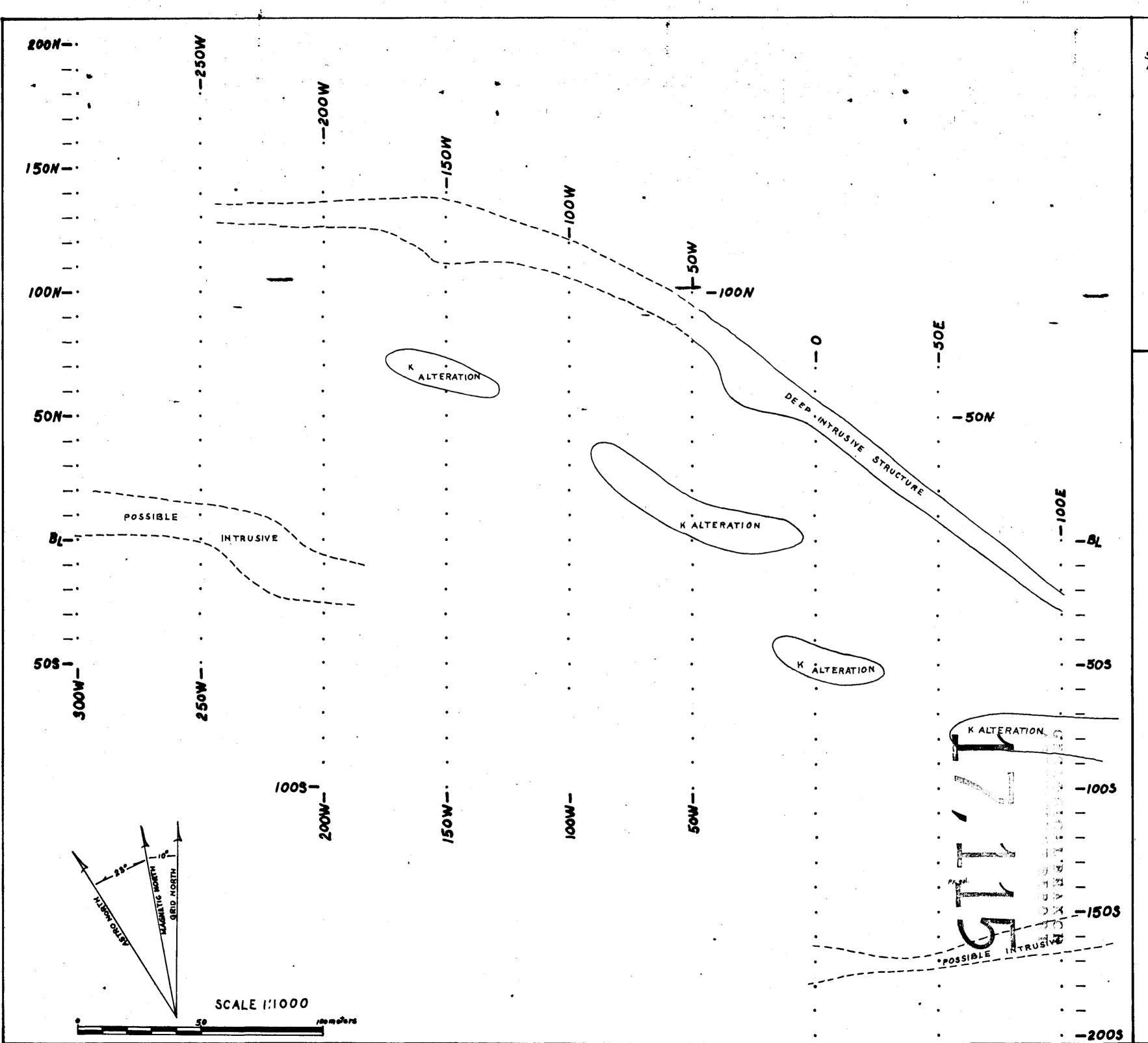






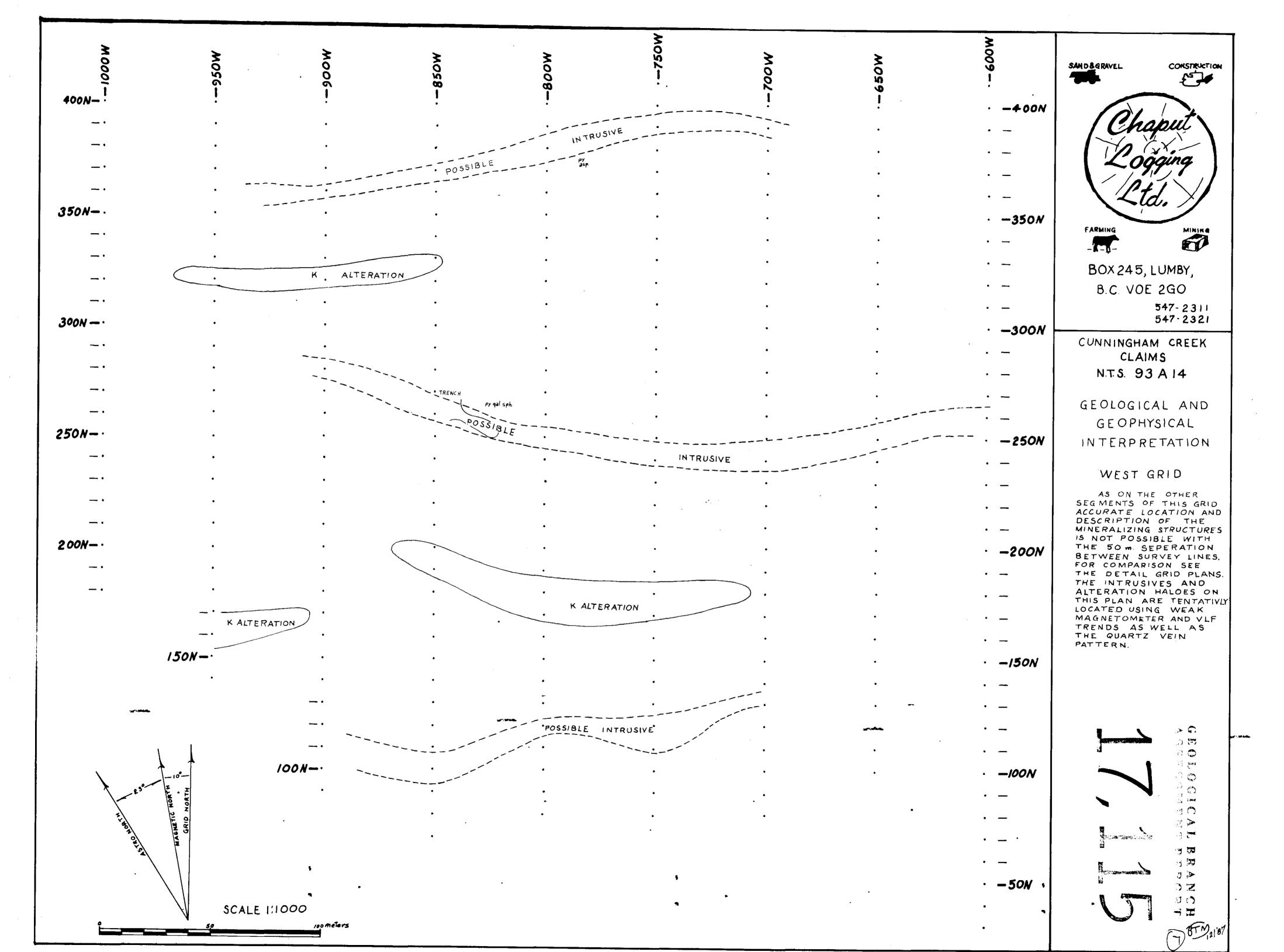


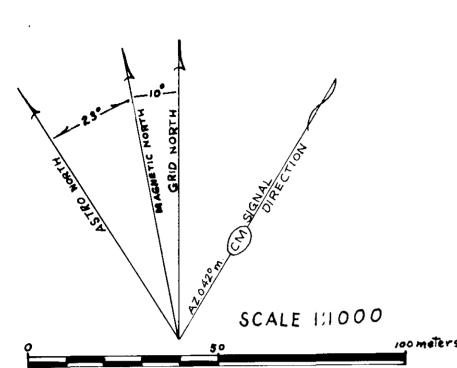


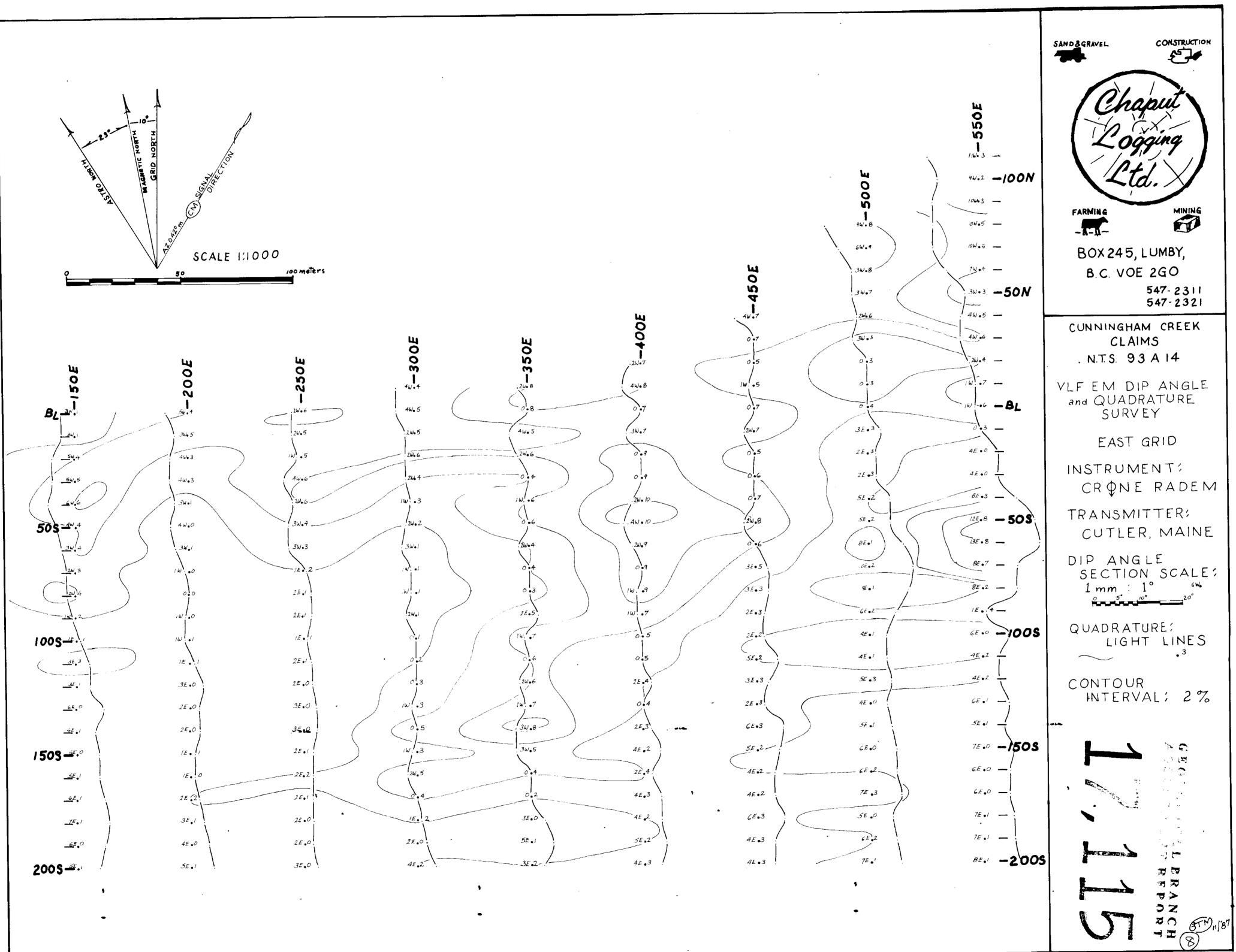


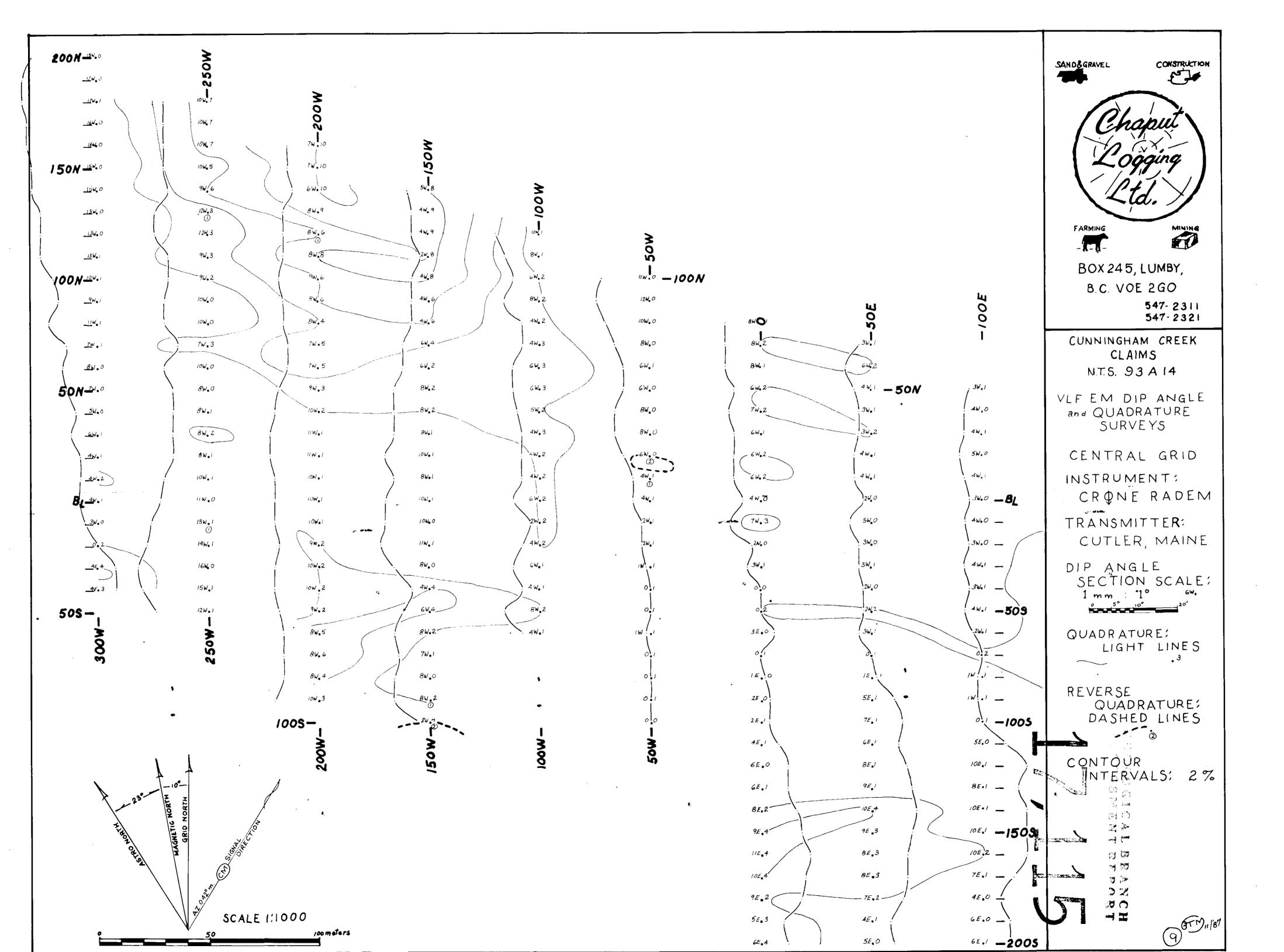
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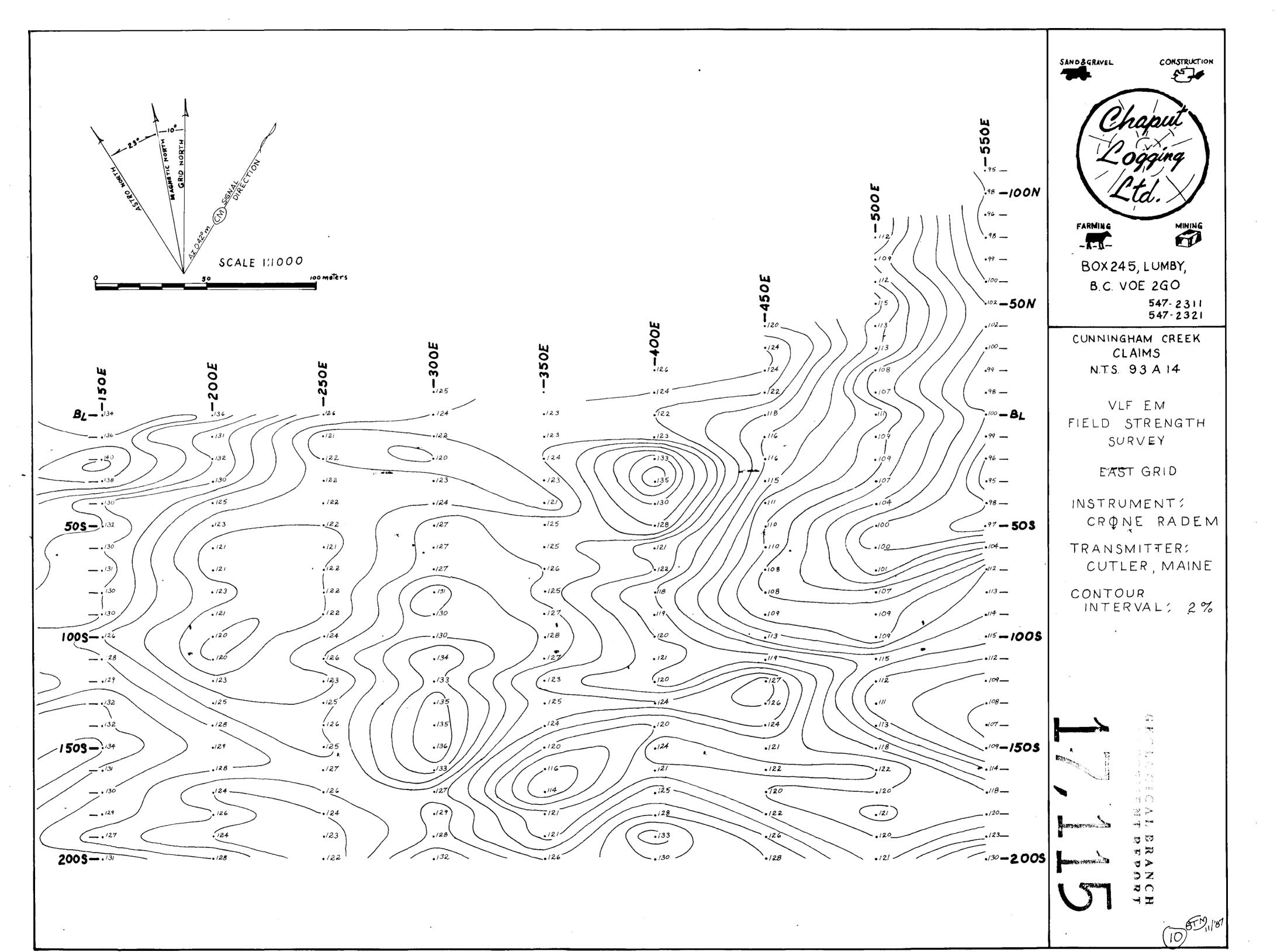
CONSTRUCTION SAND& GRAVEL مليع. nnaina FARMINE - 1-1-BOX 245, LUMBY, B.C. VOE 2GO 547-2311 547-2321 CUNNINGHAM CREEK CLAIMS N.T.S. 93A14 GEOLOGICAL AND GEOPHYSICAL INTERPRETATION CENTRAL GRID THE DEEP INTRUSIVE STRUCTURE LOCATED ON THIS MAP IS A FEEDER FOR SHALLOWER VEINS IN SHEARS OBLIQUE TO IT. VEINS ALSO OCCUR IN TENSION FRACTURES AT RIGHT ANGLES TO THE STRUCTURE, BOTH TYPES OF SHALLOW VEIN FEED INTO EACH OTHER AS SEEN ON THE DETAIL GRID INTERPRETATION. THE IDENTIFYING OF THESE FINER DETAILS IS NOT POSSIBLE WITH THIS GRID SEPERATION OF 50 M. MUCH LIKE FOCUSING & MICROSCOPE THE CLOSER GRID LINES GIVE IMAGES OF SMALLER SIZE, INDEED THIS 50m. GRID SEPERATION DOES NOT IDENTIFY THE MINERALIZING PATTERN VERY WELL AT ALL THE K ALTERATION HALOES ARE RELATIVELY FASY TO IDENTIFY BY THEIR PRONOUNCED MAGNETIC ANOMALY DUE TO THE PRESENCE OF IRON OXIDES, THEIR PARALLEL, AND THEIR SEPERATED RELATION TO THE SOURCE STRUCTURE. THE TWO POSSIBLE INTRUSIVES ARE POORLY DEFINED BY THE MAG. AND VLF SURVEYS. OCCASIONAL QUARTZ VEINS SUGGEST ITS PRESENCE AND THAT IT IS CONTINUOUS ALONG THE SOUTH OF THIS AND THE EAST GRID. 6 8 M 21 87.

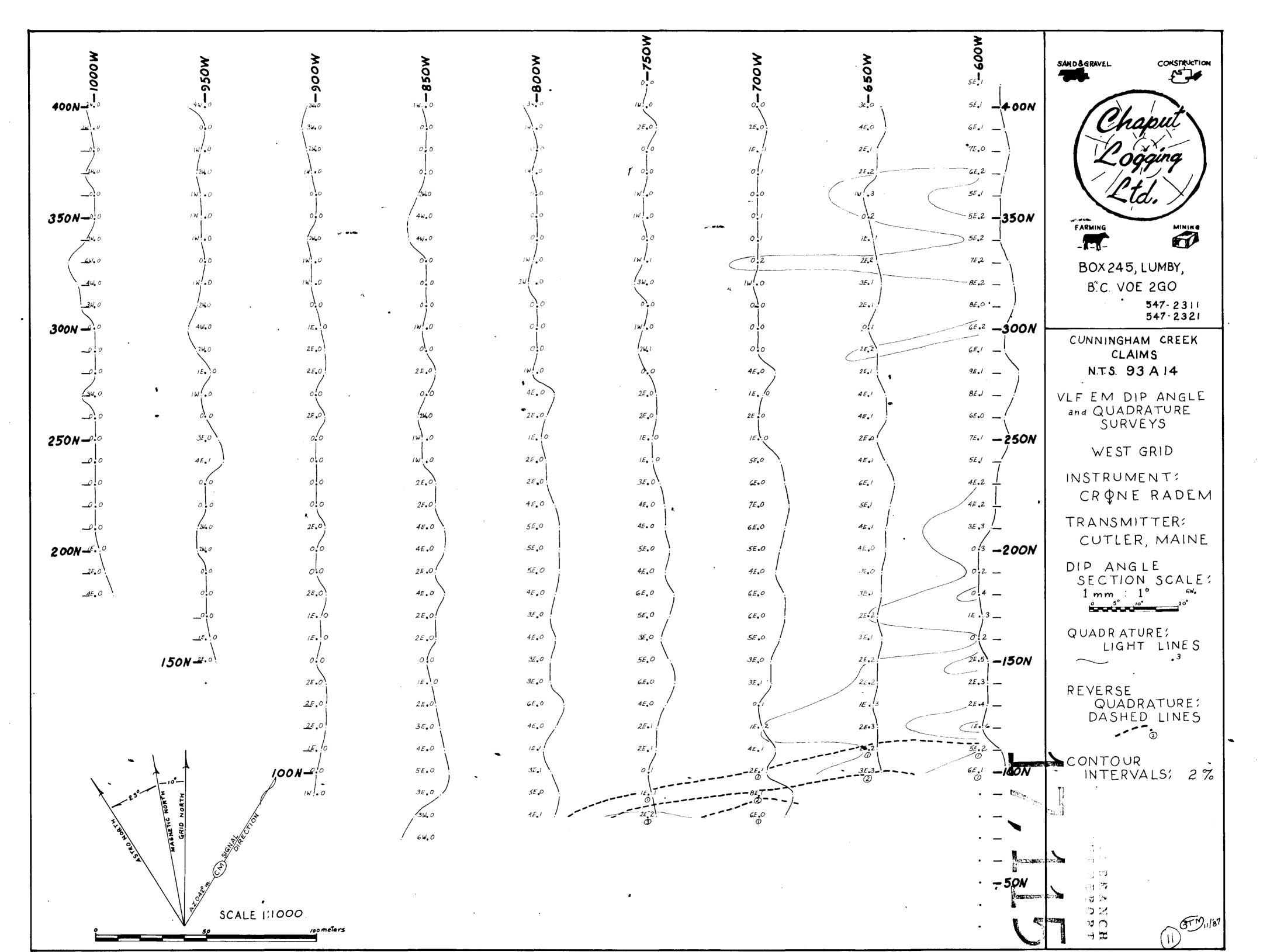


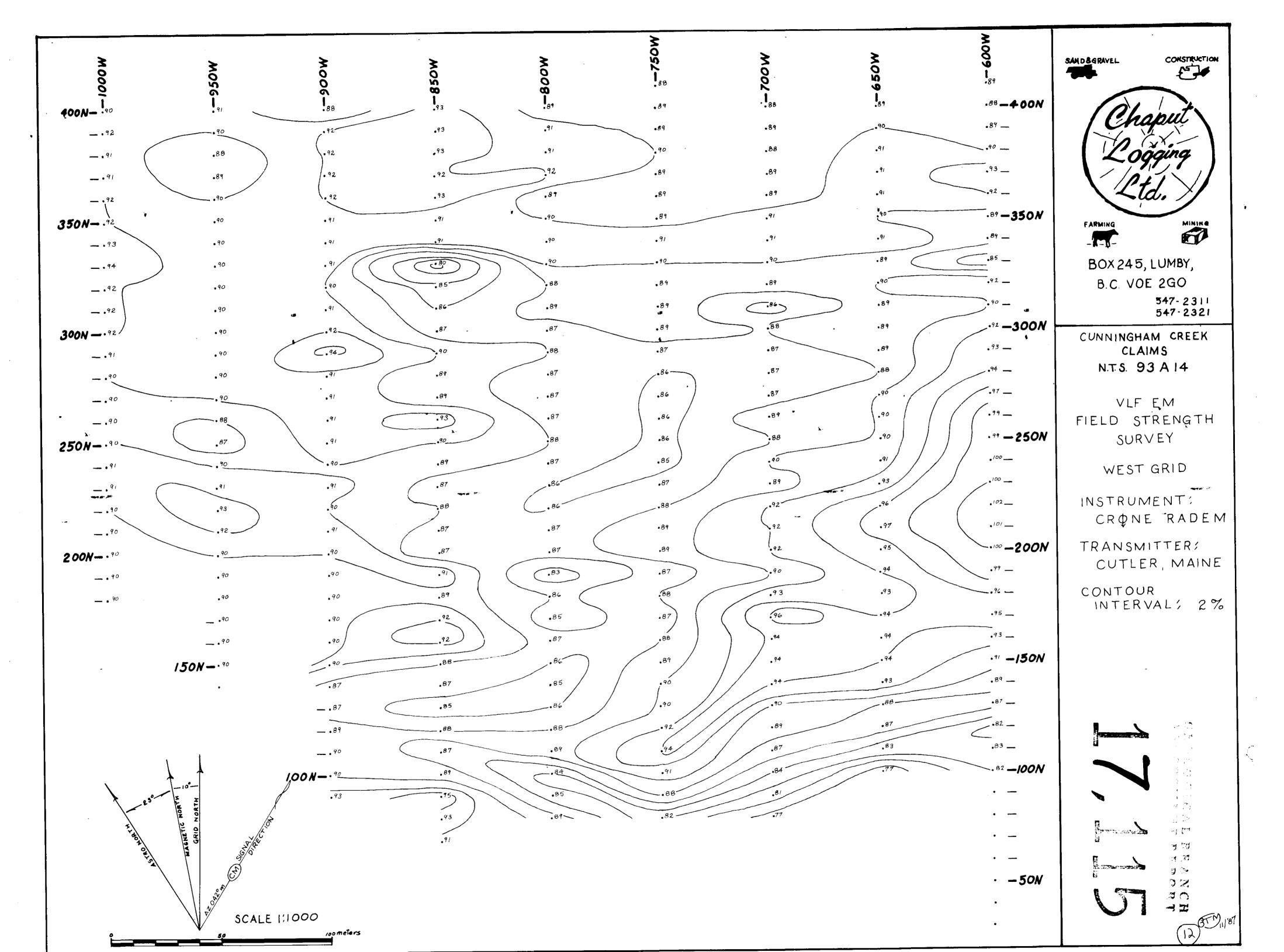


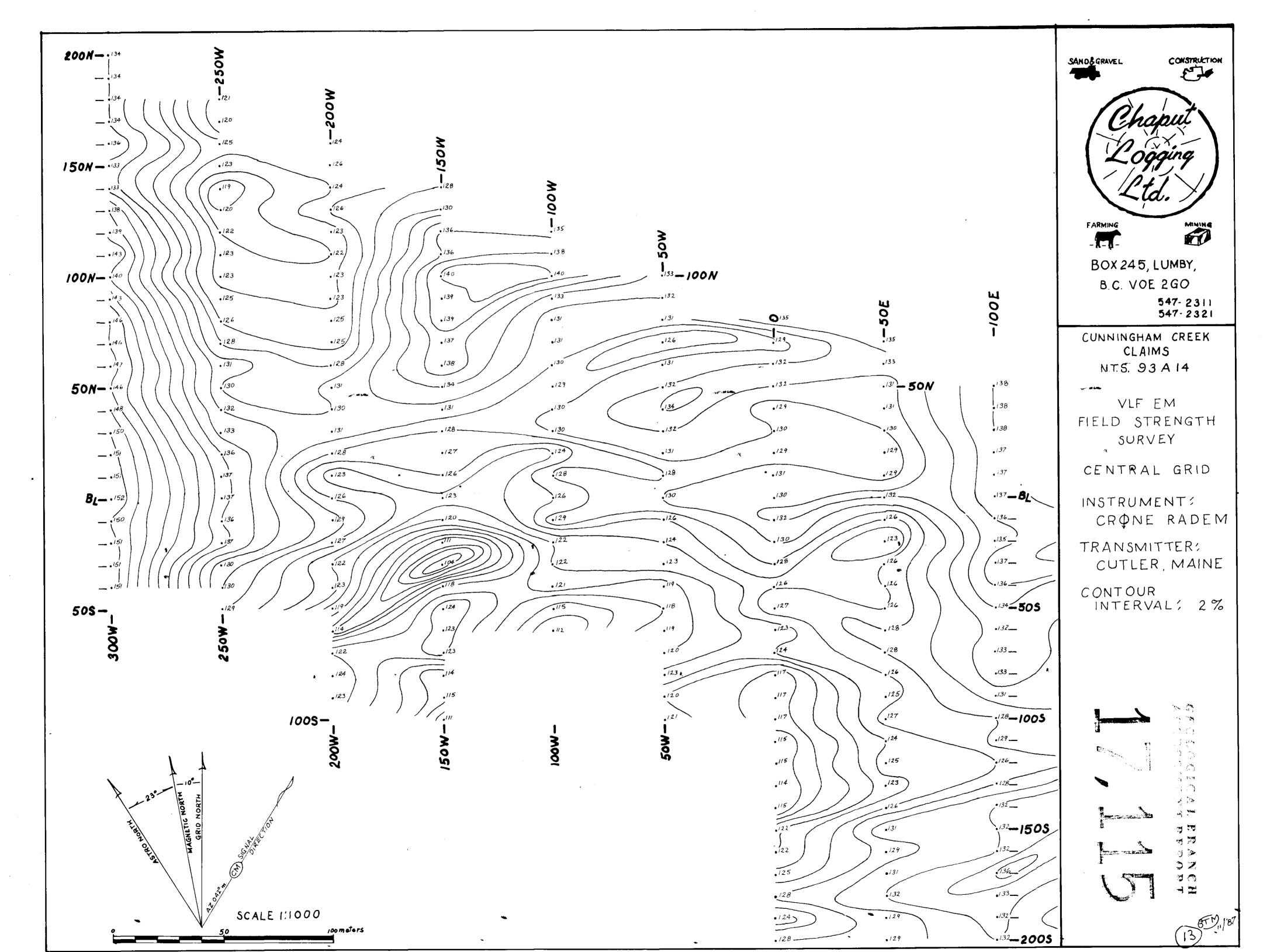












with MAGNETOMETER STUDY

IS A BUFF BROWN SERICITIC QUARTZITE TYPICAL OF THE STUDY AREA. THIS ADIT IS REPUTED TO HAVE PRODUCED ORE CARRYING 6 TO 7 OUNCES OF GOLD PER TON. SULPHIDE ZONES LOCALLY ARE AT THE JUNCTION OF QUARTZ VEINS AS HERE OR IN CURYED VEINS. THEY ARE ALSO OF LIMITED SIZE BUT THEY ARE CLOSE TO THE SURFACE, MANY OF THEM, AND EASILY LOCATED USING MAGNETIC AND OTHER SURVEYS.

THE PORTAL TO SHAFT OF THE ADIT THEN BECOME SOUND MARKING THE CHANGE IN MINERALIZING ENVIRONMENT THE ADIT FOLLOWS THE VERTICAL SHEAR ASSOSCIATED WITH THE ORE ZONE. THE MINERS HAD PROBABLY SEEN THESE JOINTS JOIN SIMILAR ORE ZONES AT THE CARIBOO HUDSON MINE UP THE HILL THERE ARE INDICATIONS THE MINERS STOPPED TOO SOON: THEY CROSSED THE VERTICAL FAN OF QUARTZ TENSION VEINS SHOW IN THE SECTION; THE CHANGE IN STRIKE OF QUARTZ VEINS AT THE END OF THE ADIT; THE OCCURANCE OF GOUGE IN THE SHEAR, AN ALTERATION HALO; THE MAGNETIC HIGH AT 305, 150E OF 580678, DUE TO THE PRESENCE OF PYRITE. NOTE ALSO

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