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)istrict Geologist, Smithers Off Confidential: 89.03.07 ASSESSMENT REPORT 17383 MINING DIVISION: Skeena PROPERTY: Brucejack 56 28 47 LOCATION: LAT LONG 129 58 55 09 6259692 439517 UTM NTS 104A05W 104B08E CLAIM(S): Brucejack 4-5 Catear Res. OPERATOR(S): Kruchkowski, E.R.; Sinden, G. AUTHOR(S): 1988, 25 Pages REPORT YEAR: COMMODITIES SEARCHED FOR: Gold,Silver GEOLOGICAL SUMMARY: The showings are in altered andesites and sericite schists of the Middle Jurassic Betty Creek and Salmon River Formations. Pyrite is the only mineral known to be present. NORK DONE: Geological, Geochemical GEOL 56.3 ha 1000 Map(s) - 1; Scale(s) - 1:5000ROCK 5 sample(s) ;AU,AG 5 sample(s) ;AU,AG SILT

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REPORT ON THE BRUCEJACK 4 AND 5 CLAIMS STEWART, BRITISH COLUMBIA SKEENA MINING DIVISION NTS 104A/5W AND NTS 104B/8E LATITUDE 56° 29' LONGITUDE 129° 59'

ΒY

E.R. KRUCHKOWSKI, B.Sc., P.Geol. CONSULTING GEOLOGIST

G. SINDEN, R.E.T.

PREPARED FOR: CATEAR RESOURCES LTD. #400, 255 - 17 Avenue S.W. Calgary, Alberta T2S 2T8

PREPARED BY: E.R. KRUCHKOWSKI CONSULTING LTD. 23 Templeside Bay N.E. Calgary, Alberta TlY 3L6

CALGARY, ALBERTA APRIL, 1988

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RECEIVER

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GOLD COMMISSIONER PRINCE RUPERT

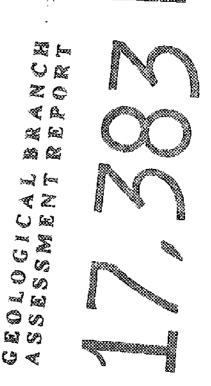


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SUMMARY

TONE

CATECORY

The 24 unit Brucejack 4 and Brucejack 5 claims are located within the Stewart complex, some 68 kilometers north-northwest of Stewart, British Columbia. The area is underlain by volcanic and sedimentary rocks of the Middle Jurassic Betty Creek and Salmon River Formations.

Chip sampling and silt sampling indicated slightly anomalous gold values in areas of sericite alteration.

Follow-up work on the Brucejack claims is essential in order to adequately evaluate the properties. A program of detailed geological mapping, rock geochemical sampling, silt geochemical sampling, trenching and prospecting is recommended.

Significant mineralization is encountered in quartz-sulphide veins and pyritic sericitic gossan zones in the Betty Creek host rock.

The area of the Brucejack Claims is east of the bonanza gold-silver discoveries at Brucejack Lake by both the Newcana Joint Venture and Catear Resources Ltd. The Newcana Joint Venture has announced the following results:

ZONE	CATEGORY			
West	Drill Indicated	535,765	0.332	21.06
West Total	Inferred	<u>480,965</u> 1,016,730	$\frac{0.332}{0.332}$	$\frac{21.06}{21.06}$
West Zone				
Short	Inferred	539,776	0.263	27,23
Gossan Hill	Inferred	27,639	1.940	3.51
Total Brucejack	Indicated &	1,584,145	0.336	22.86
area	Inferred			

Catear conducted diamond drilling on its Goldwedge property within the Newcana block and has reported the following results:

Zone	Category	Tons	<u>Au oz/T</u>	<u>Ag oz/T</u>
Golden Rocket	Drill Indicated	146,437	0.837	2.56
Golden Rocket	Drill Inferred	145,479	0.837	2.56

The above gold-silver discoveries are structurally controlled, epithermalmesothermal veins occurring in areas of symnodiorite intrusions and associated with areas of intense sericite (quartz-pyrite) alteration.

INTRODUCTION

This report is based on data obtained from field observations and samples collected from the Brucejack 4 and Brucejack 5 claims. These claims are situated 3 kilometers northeast of Mt. Knipple and/or 10 kilometers north of Knipple Lake.

The claims are located approximately 68 kilometers by air north-northeast of Stewart, B.C.

E.R. Kruchkowski consulting personnel carried out a program of stream sediment sampling, prospecting and rock geochemical sampling during <u>July</u> of 1987. The results of this work are presented within this report.

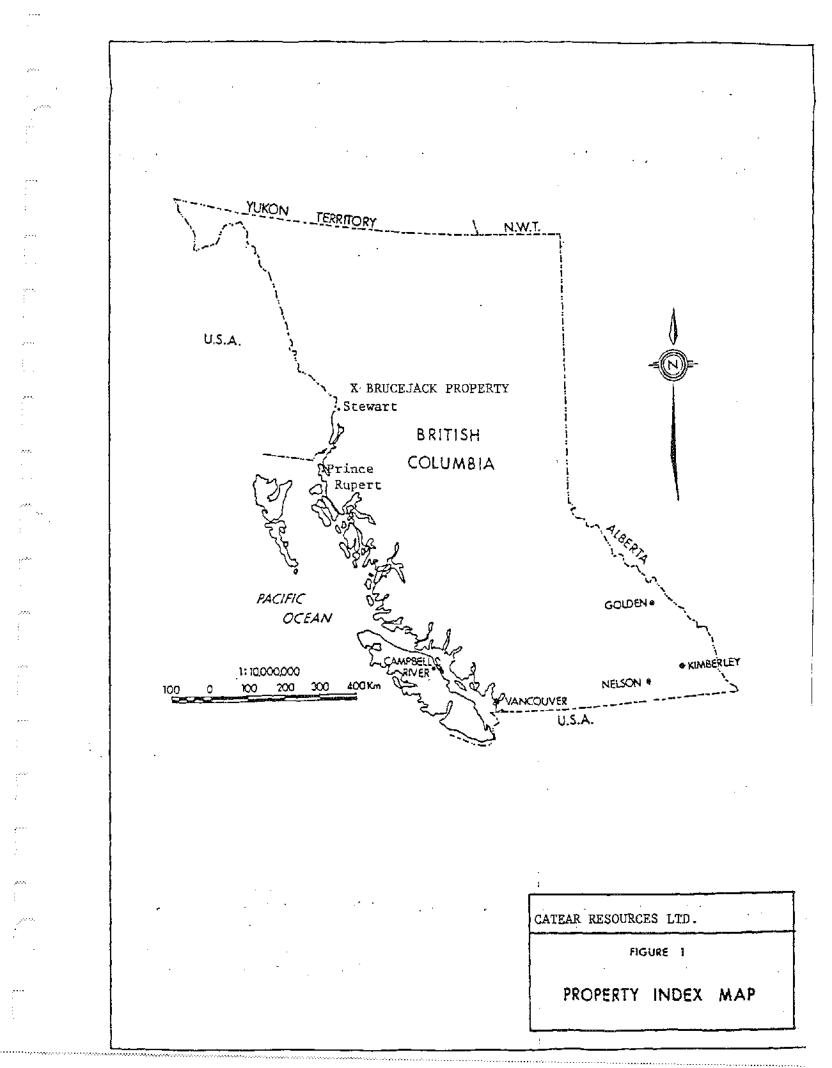
Geochemical analysis were performed by Loring Laboratories Ltd. of Calgary, Alberta.

Location, Access and Physiography

The Brucejack 4 and Brucejack 5 claims are located in Northwestern British Columbia, 68 kilometers north-northeast of Stewart, British Columbia in the Skeena Mining Division, NTS 104A/5W and 104B/8E (Figure 1).

The property is situated 10 kilometers north of Knipple Lake and/or 3 kilometers northeast of Mt. Knipple at latitutde $129^{\circ}59'$, longitude $56^{\circ}29'$.

At present access is by helicopter based in Stewart, British Columbia. A 38 kilometer summer road extending from Stewart, British Columbia to the Tide Lake Airstrip can be used to reduce mobilization/demobilization expenses (approximately 25 kilometers south-southwest of the Brucejack 4 and 5 claims).



The terrain is extremely rugged and steep with elevations ranging from 4100 feet to 6800 feet. Vegetation is limited to thin brush and minor hemlock.

Water supply is plentiful as several glacial run-off streams cross the property.

Property Ownership

The property consists of two 12-unit staked claims (Figure 2).

Name	Record No.	Units	<u>Record Date</u>
Brucejack 4	5853	12	Feb. 11, 1987
Brucejack 5	5854	12	Feb. 11, 1987

Catear Resources holds a 50% working interest in the property.

Previous Work

The work history of the property is short and recent. Glacial and snow cover made the property unexplorable until recently.

Personnel and Operations

E.R. Kruchkowski Consulting Ltd. conducted the 1987 surface exploration program. Work was executed from the Catear Brucejack Lake Camp, June 30 to July 30, 1987, utilizing a Bell 206 Helicopter.

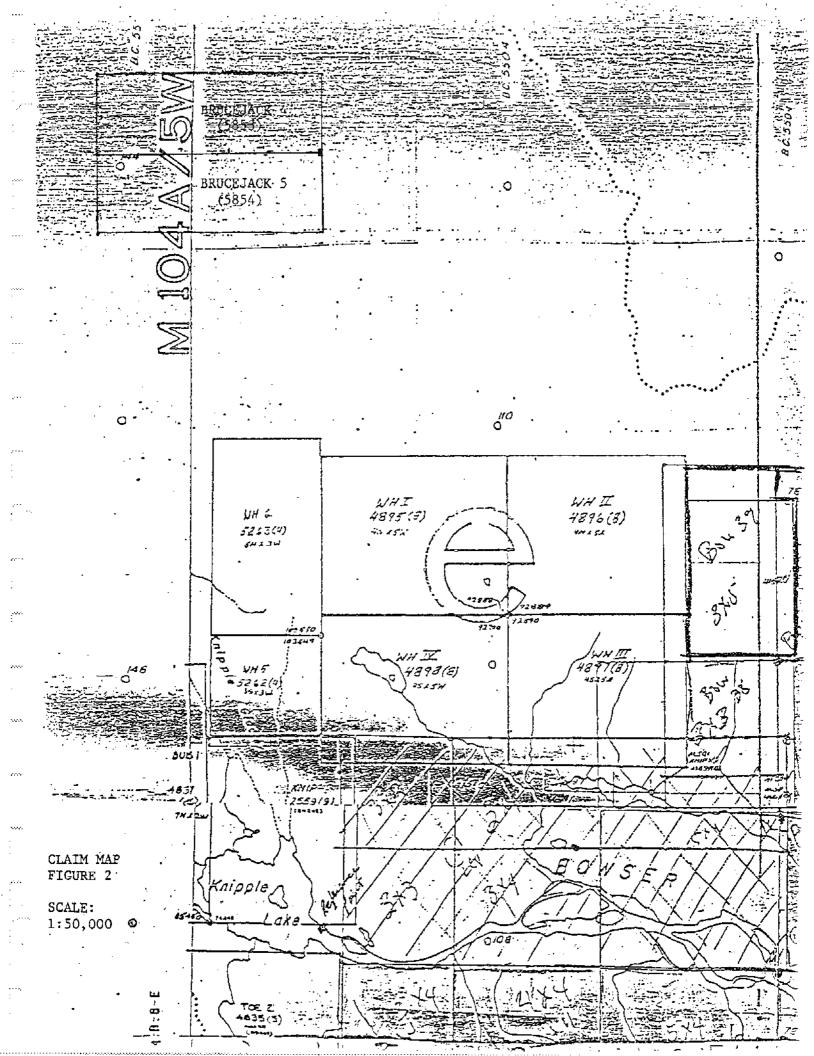
Personnel:

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E.R. Kruchkowski, Geologist G. Pauls, Geological Assistant

Work consisted of rock geochemical sampling, stream sediment sampling and prospecting. During the work program, 5 rock samples and 5 silt samples were collected. Geochemical analysis were performed by Loring Laboratories Ltd. of Calgary, Alberta.



GEOLOGY

Regional Geology

Rocks that underlie the claim area belong to the mesozoic Hazelton Group. These low-middle Jurassic extrusive volcanics and sediments are intruded by Cenozoic and Mesozoic phases.

The Lower Jurassic volcaniclastic Unuk River Formation are the oldest rocks in the area. These rocks form a distinct north-northwesterly trending belt extending from Alice Arm to the Iskut River. The Unuk River Formation consists of: green, red, and purple volcanic breccia, pillow lavas, volcanic flows, volcanic conglomerate, sandstone, siltstone, with minor crystal lithic tuff, limestone, chert, and coal.

The Unuk River Formation is unconformably overlain by Lower Middle and Middle Jurassic rocks from the Betty Creek and Salmon River Formations, respectively. The next series of rocks encountered in order of decreasing age is the Lower Middle Jurassic Betty Creek Formation. Similar to the Unuk River Formation the Betty Creek Formation is a continued sequence of troughfilling submarine pillow lavas, pillow breccias, andesite and basalt flows, red, green, purple and black volcanic breccia, volcanic conglomerate, sandstone, siltstone with minor crystal and lithic tuffs, chert and limestone.

The youngest stratified units are of the Middle Jurassic Salmon River Formation. Overlying the Betty Creek Formation, the Salmon River Formation consists of primarily sedimentary, late to post volcanic, deposition of siltstone, greywacke, sandstone, intercolated calcarenite, minor limestone, argillite, conglomerate, littoral deposits, volcanic sediments and minor volcanic flows.

Many of the rocks from the Hazelton Group are erosionally derived from andesitic rocks deposited in lenticular beds varying from breccias to sandstone. The

- 5 --

Betty Creek and Unuk River Formations are separated by violent caulderic collapse and erosion of their active volcanic phases. The vulcanism was accompanied by volcanosenic massive sulphide deposits originated from the submarine spreading ridge. The intense volcanic activity subsided into an erosional, tuff-distal sedex precipitate episode with back-arc and continental sedimentation (Salmon River Formation). Minor hot spring-fumarolic activity followed.

Various intrusives are encountered ranging from the Coast Plutonic complex to smaller post Coast Plutonic Stocks and plugs (thought to be late offshoots of the Coast plutonism). The rocks include: granodiorite, granite, quartz monzonite and feldspar porphyry. These stocks are often accompanied by significant sulphide mineralization featuring argentiferous veins developed in post-crystallization fractures and breccia zones.

Structually, the region is characterized by a double plunging, northwesterly trending synclinical folds of the Salmon River and underlying Betty Creek Formations. The folds are locally disrupted by small overthrusts. Major northwest trending faults offset beds.

Local Geology

According to E.W. Grove on maps titled Geology of the Unuk River - Salmon River - Anyox map area - two separate rock units are encountered on the property both of Middle Jurassic age. The oldest rocks are from the Betty Creek Formation which are composed of green, red, purple and black volcanic breccia, conglomerate, sandstone and siltstone. The younger rocks of the Salmon River Formation unconformably overlies the Betty Creek Formation. The Salmon River Formation includes siltstone, greywacke, sandstone, some calcarenite, minor limestone, argillite, conglomerate and littoral deposits.

- 6 -

The limited reconnaissance program indicates that the area within the claims are underlain by green clastic volcanics variably altered to sericite and chlorite schists in several locations. The schists are pale grey to green with locally abundant pyrite. These zones appear as bright yellow to dull orange gossan zones.

The area of the Brucejack claims is east of the bonanza gold-silver discoveries at Brucejack Lake by both the Newcana Joint Venture and Catear Resources Ltd. The Newcana Joint Venture has announced the following results:

ZONE	CATEGORY	TONS	AU OZ/T	AG <u>OZ/T</u>
West	Drill Indicated	535,765	0.332	21.06
West	Inferred	480,965	0.332	21.06
Total		1,016,730	0.332	21.06
West				
Zone				
Shore	Inferred	539,776	0.263	27.23
Gossan Hill	Inferred	27,639	1.940	3.51
Total Brucejack	Indicated &	1,584,145	0.336	22.86
area	Inferred			

Catear conducted diamond drilling on its Goldwedge property within the Newcana block and has reported the following results:

ZONE	CATEGORY	TONS	AU 0Z/T	AG OZ/T
Golden Rocket	Drill Indicated	146,437	0.837	2.56
Golden Rocket	Drill Inferred	145,479	0.837	2.56

The above gold-silver discoveries are structurally controlled, epithermalmesothermal veins occurring in areas of syenodiorite intrusions and associated with areas of intense sericite (quartz-pyrite) alteration.

The presence of sericite schists with weak quartz veining and locally intense pyrite mineralization make the Brucejack 4 and 5 claims excellent exploration targets for gold-silver mineralization.

- 7 -

GEOCHEMICAL SURVEYS

Rock Geochemistry

Five (5) rock geochemical samples were collected from the Brucejack 4 and 5 claims during July of 1987. A 3-4 pound sample of unweathered material was selected on the basis of mineralization or alteration.

The samples were shipped to Loring Laboratories Ltd. of Calgary, Alberta where they were crushed, split and ground to a -80 mesh. The samples were then analyzed using standard geochemical methods for Au and Ag.

Results of the survey indicated weakly anomalous gold and silver values. (See Figure 3)

Silt Geochemistry

A total of 5 silt samples were collected, placed in Kraft Sample Bags and shipped to Loring Laboratories Ltd. of Calgary, Alberta where they were dried, crushed, split and ground to a -80 mesh. The samples were analyzed for Au and Ag using standard geochemical methods.

Results of the survey indicate weakly anomalous gold values and low silver values. The sample sites are shown on Figure 3. CONCLUSIONS

- The Brucejack Claims are underlain by volcanic and sedimentary rocks of the Betty Creek and Salmon River Formations.
- 2. A rock geochemical and silt geochemical program has indicated weakly anomalous gold and silver values.
- 3. The area of the Brucejack claims is east of the bonanza gold-silver discoveries at Brucejack Lake by both the Newcana Joint Venture and Catear Resources Ltd. The Newcana Joint Venture has announced the following results:

ZONE	CATEGORY	TONS	AU OZ/T	AG <u>OZ/T</u>
West	Drill Indicated	535,765	0.332	21.06
West Total	Inferred	<u>480,965</u> 1,016,730	$\frac{0.332}{0.332}$	$\tfrac{21.06}{21.06}$
West Zone				
Shore	Inferred	539,776	0.263	27.23
Gossan Hill	Inferred	27,639	1.940	3.51
Total Brucejack area	Indicated & Inferred	1,584,145	0.336	22.86

Catear conducted diamond drilling on its Goldwedge property within the Newcana block and has reported the following results:

ZONE	CATEGORY	TONS	<u>AU OZ/T</u>	AG OZ/T
Golden Rocket	Drill Indicated	146,437	0.837	2.56
Golden Rocket	Drill Inferred	145,479	0.837	2.56

The above gold-silver discoveries are structurally controlled, epithermalmesothermal veins occurring in areas of symmodiorite intrusions and associated with areas of intense sericite (quartz-pyrite) alteration. The presence of quartz stockworks in association with intense pyrite mineralization in areas of sericite alteration make the area an excellent exploration target.

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4. An exploration program consisting of prospecting, silt geochemistry and geological mapping is recommended for the property.

Prospecting

All structural features on the property should be carefully prospected in order to evaluate the mineral potential. As well, all gossaned zones should be checked for all minerals associated with the gold, particularly arsenopyrite and tetrahedrite.

Detailed Silt Geochemistry

Sampling should be conducted every 50 meters along stream beds on the property.

Geological Mapping

The property should be mapped in conjunction with the silt sampling and prospecting programs. Detailed mapping would be concentrated over areas of newly discovered mineralization.

STATEMENT OF EXPENDITURES

Personnel

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E.R. Kruchkowski, Geologist G. Pauls, Geological Assistant	· · ·	600.00 200.00
Food		
\$20 per day x 4 mandays		80.00
Camp Rental		
\$25 per day x 4 mandays		100.00
Geochemical Analysis		
5 rock samples @ \$15 per sample 5 silt samples @ \$12 per sample		75.00 60.00
<u>Helicopter</u>		
$2\frac{1}{2}$ hours x \$588.75 per hour		1,471.88
Freight		50.00
Communications/Expediting Costs		100.00
Equipment Rental		50.00
Report		500.00
	TOTAL	\$3,286.00

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Geology and Mineral Deposits of the Unuk River-Salmon River-Anyoz Area, British Columbia Ministry of Energy, Mines and Petroleum Resources, Bulletin No. 63.

CERTIFICATE

I, EDWARD R. KRUCHKOWSKI, Geologist, residing at 23 Templeside Bay, N.E., in the City of Calgary, in the Province of Alberta, hereby certify that:

- I received a Bachelor of Science degree in Geology from the 1. University of Alberta in 1972.
- 2. I have been practising my profession continuously since graduation.
- 3. I am a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta.
- 4. I am a consulting geologist on behalf of Catear Resources Ltd.
- 5. This report is based on a review of reports, documents, maps and other technical data on the property area and on my experience and knowledge of the area obtained during programs in 1974 - (1987.)

E.R. Kruchkowski, B.S.

CERTIFICATE

I, GORDON W. SINDEN, currently residing at #2607, 123 - 10 Avenue S.W., Calgary, Alberta T2R IK8, hereby certify that:

- I am a geological technologist and have practised my profession 1. since 1977.
- I am a graduate of the Northern Alberta Institute of Technology (1977) 2. in Mineral Resources Technology.
- I am a Registered Engineering Technologist with the Alberta Society 3. of Engineering Technologists.
- This report is based on a review of reports, documents, maps and other 4. technical data on the property area and on my own experience and knowledge of the area obtained during programs in 1982 - 1987.

april 27/88

Gordon W. Sinden, R.E.T.

APPENDIX I

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ANALYTICAL INFORMATION

LABORATORY:	Loring Laboratories Calgary, Alberta	
MESH SIZE:	-80/stream sediments -80/rocks	
EXTRACTION:	For Au/Ag: Fire assay fusion, cupellation and acid dissolution of precious metal beads.	

ANALYSIS: Atomic absorption

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## APPENDIX II

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## ROCK GEOCHEMICAL ANALYSIS

To: BIG HORN DEVELOPMENT CORP.,

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| File No | 30274              |
|---------|--------------------|
| Date    | September 16, 1987 |
| Samples | Rock               |

Servificate ASSAY Or

# LORING LABORATORIES LTD.

| SAMPLE No.  | - РРВ<br>Ац                                       | PPM<br>Ag            |  |
|-------------|---------------------------------------------------|----------------------|--|
| ·····       |                                                   |                      |  |
| KK-177      | 35                                                | 1.4                  |  |
| 178         | 175                                               | 0.9                  |  |
| 179         | 10                                                | 0.6                  |  |
| 180         | 55                                                | 0.4                  |  |
| 181         | 270                                               | 4.1                  |  |
| 18506       | +1000                                             | 30.0+                |  |
| 18507       | +1000                                             | 9.5                  |  |
| 18508       | 390                                               | 2.4                  |  |
| 18509       | +1000                                             | 12.8                 |  |
| 18510       | +1000                                             | 8.5                  |  |
| 19455       | +1000                                             | 16.8                 |  |
| 19456       | 50                                                | 0.9                  |  |
| 19457       | 105                                               | 1.1                  |  |
| 19458       | 615 .                                             | 13.0                 |  |
| 19459       | 25                                                | 1.1                  |  |
| 19460       | 35                                                | 1.0                  |  |
| 19461       | +1000                                             | 3.8                  |  |
| 19462       | 175                                               | 3.6                  |  |
| 19463       | 310                                               | 1.2                  |  |
| 19464       | +1000                                             | 30.0+                |  |
| 19465       | 210                                               | 3.6                  |  |
| BJR-1       | 55                                                | 0.4                  |  |
|             | 10                                                | 0.3                  |  |
| 3           | 15                                                | 0.2                  |  |
| 2<br>3<br>4 | 10                                                | 1.9                  |  |
| 5           | 20                                                | 1.9<br>6.1           |  |
|             |                                                   |                      |  |
|             |                                                   |                      |  |
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## APPENDIX III

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SILT GEOCHEMICAL ANALYSIS

