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1989 Prospecting Report on the RUGGED MOUNTAIN PROPERTY Canyon 25 Claim

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Liard Mining Division NTS: 104G/13 Lat: 57 49'N Long: 131 36'W

Owners: Homestake Mineral Development Company 1000 - 700 W. Pender St. Vancouver, B.C. and Equity Silver Mines Ltd. Suite 13 - 1155 Melville St. Vancouver, B.C.

Operator: Homestake Mineral Development Company

R.G. Carmichael P.M. Holbek July 21, 1989

SOLEENY FANGER**T**



TABLE OF	CONTENTS	PAGE
SUMMARY		1
1.0 INT	RODUCTION	
1.1 1.2 1.3 1.4 1.5	Location and Access Claim Status Physiography Exploration History Present Work	1 1 2 2 2
2.0 REG	IONAL GEOLOGY	2
3.0 PRO	PERTY GEOLOGY	3
4.0 GEO	CHEMISTRY	
4.1 4.2	Analytical Methods Results	3 4
5.0 CON	ICLUSIONS AND RECOMMENDATIONS	5
6.0 REF	ERENCES	6
7.0 STA	TEMENT OF COSTS	7
APPENDIX APPENDIX APPENDIX	I Analytical Results II Sample Summary III Statement of Qualifications	

-

TABLE OF FIGURES

-

.

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Figu	ire .	Follows
1.1	Location Map	Page 1
2.1	Claim Location 1:250,000	In Pocket
2.2	Detailed Claim Location 1:50.000	Page 1
3.1	Regional Geology 1:250,000	Page 2
4.1	Geology and Sample Location 1:10,000	In Pocket

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SUMMARY

The Canyon25 property is located in the Stikine region of British Columbia. The property consists of 20 units and is owned by Homestake Mineral Development Company and Equity Silver Mines Ltd.

Work on the property was carried out on June 9, 1989 by a crew of four people. In addition to prospecting, 10 rock and 5 soil and silt samples were collected.

One day of hand trenching and sampling is recommended for this property. Two area of extremely gossanous soils and ferricrete were located at the syenite-sediment contact. Additional prospecting is recommended to be concentrated along the contact between the syenite intrusive and the hornfelsed sedimentaly rocks.

1.0 INTRODUCTION

1.1 Location and Access

The Canyon 25 property is located in the Stikine region of northwestern British Columbia approximately 25 km southwest of the village of Telegraph Creek (Figure 1.1). The claim is centered at 57 49'N latitude and 131 36'W longitude on NTS map sheet 104G/13.

Access to the property is via helicopter from Telegraph Creek, which is connected to Dease Lake by an all-weather road and serviced by fixed-wing flights from Smithers, B.C. The Stikine River provides navigable water access from Wrangell, Alaska north to Telegraph Creek.

1.2 Claim Status

The Canyon25 property consists of one claim totalling 20 units. The claim was recorded on June 28. 1988 and is owned by Homestake Mineral Development Company and Equity Silver Mines Ltd. Assuming acceptance of this assessment work, claim data will be as follows:

CLAIM	UNITS	RECORD #	RECORD DATE	EXPIRY DATE
Canyon25	20	4729	June 28, 1988	June 28, 1990





1.3 Physiography

The property covers the southeast spur of Rugged Mountain and is characterized by very precipitous topography to the west and more moderate slopes to the east. Elevations range from 1060m to 1725m and vegetation is primarily alpine tundra.

1.4 Previous Work

No previous work is reported on the property.

1.5 Present Work

The 1989 work program outlined in this report was designed to locate areas of anomalous metal values and to assess the economic potential of the property. It consisted of rock sampling, stream sediment sampling, soil sampling and prospecting. In total, 10 rock and 5 silt and soil samples were collected. Geology and sample locations are shown on Figure 4.1.

2.0 REGIONAL GEOLOGY

The property lies on the boundary between the Coast and Intermontane tectonic belts. This area is underlain by rocks of the Stikine Terrane (Stikinia) consisting of Paleozoic schists, phyllites and greenstones of the Stikine Assemblage, Mid to Upper Triassic sedimentary and volcanic rocks of the Stuhini Group (Kerr, 1948), and Late Cretaceous to Tertiary continental volcanic arc assemblages of the Sloko Group (Logan and Koyanagi, 1989).

Three stages of plutonism are recognized in the area. The Hickman batholith is composed of Early to Middle Triassic quartz diorites and Middle Jurassic quartz monzonites. The third series of intrusive rocks are alkalic, generally syenitic, rocks of Early Jurassic age. These Early Jurassic rocks are associated with mineralization in the area, including the Galore Creek and Schaft Creek porphyry deposits.

These rocks have undergone multiple stages of deformation, forming a complex structural pattern which is complicated by large differences in the competence of the different units. North- and northwesterly-trending normal faults are dominant with narrow west-trending extensional fault zones postdating them (Souther, 1972).



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	QUATERNARY PLEBTOCENE AND RECENT
	an Hot-specific demostic title . ensurable
9	Clivine basait, related pyroclastic rocks and loose tephrs; younger than
0 <u>2</u> 0	some of 29
CE C	TERTIARY AND QUATERNARY
	UPPER TERTIARY AND PLEISTOCENE Rhyolite and decite flows, lave domes, pyroclastic rocks and related sub-
	voloanic intrusions; minor besalt
	25 Intrusions; minor rhyolits; in part younger than some 26
	CRETACEOUS AND TERTIARY
	UPPER CRETACEOUS AND LOWER TERTIARY SLOKO GROUP
	24 Light green, purple and white rhyolite, trachyte and dacite flows, pyroclastic rocks and derived sediments
	 22 23 22. Biotite leucogranite, subvolcanio stocks, dykes and sills 23. Porphyritic biotite andesite, lava domes, flows and (7) sills
	SUSTUT GROUP
	21 sandstone, arkose, silistone, carbonaceous shale and minor coal
	20 Felsite, quartz-feldspar porphyry, pyritiferous felsite, orbicular rhyolite; in part equivalent to 22
	19 Medium-to coarse-grained, pink biotite-hornblende quartz monzouite
ĺ	JURASSIC AND/OR CRETACEOUS
	POST-UPPER TRIASSIC PRE-TERTIARY
	17 Wandurite, quarte diorier, miller diorier, remote and mightane
	JURASSIC
	BOWSER GROUP
	15 shale; may include some 13
	MIDDLE JURASSIC Bassit, pillow lava, tuff-breccia, derived volcaniclastic rocks and related ubvolcanic intrusions
	LOWER AND MIDDLE JURASSIC fhale, minor silistone, siliceous and calcareous silistone, greywacks and ironstone
	13 greywacke, silistone; basaltic and andesitic volcanic rocks, peperites,
	pillow-breocia and derived volozniolastic rocks
	TRIASSIC AND JURASSIC PORT-IMPER TRIASSIC PRE-LOWER JURASSIC
ļ	12 Sysnite, orthoolase porphyry, monzonite, pyroxenite
	HICKMAN BATROLITE
) JOZO	untra diorite, hornblende-pyroxene diorite, amphibolite and pyroxene-bearing amphibolite
MES	
	TRIASSIC UPPER TRIASSIC
	9 Undifferentiated volcanic and sedimentary rocks (units 5 to 8 inclusive)
	Augite-andesite flows, pyroclastic rocks, derived volcaniclastic rocks änd related subvolcanic intrusions; minor greywacke, siltstone and polymicitic conglomerate
	7 Siltstone, thin-bedded siliceous silistone, ribbon chert, calcareous and dolomictic silistone, greywacke, volcanic conglomerate, and minor limestone
1	Limestone, fetid argtilaceous limestone, calcareous shale and reefold limestone; may be in part younger than some ? and 8
ĺ	5 Greywacke, silisione, shale; minor conglomerate, tuff and volcanic sandstone
	MIDDLE TRIASSIC
	Shale, concretionary black shale; minor calcareous shale and situatione
	PERMIAN
	Immetions, thick-bedded mainly bloclastic limestone; minor silistone, chert and tuff

PALEOZOIC

PERMIAN AND OLDER
Phyllite, argiliaceous quartzite, quartz-serioite schist, chlorite schist,
greenstone, minor chert, schistose tuff and limestone

MISSISSIPPIAN

Limestone, orinoidal limestone, ferruginous limestone; maroon tuff, obert



B Amphibolits, amphibolits gnetss; age unknown probably pre-Upper Jurassic

A Ultramafic rooks; peridotite, dunite, serpentinite; age unknown, probably pre-Lower Jurassio

Geological boundary (defined and approximate, assumed)
Bedding (horizontal, inclined, vertical, overturned)+ / / /
Antioline
Syncline
Fault (defined and approximate, assumed)
Thrust fault, tooth on hanging-wall side (defined and approximate, assumed). , $r^{++} \perp r$
Fossil locality
Mineral property
Glaster

INDEX TO MINERAL PROPERTIES

1. Lisrd Copper	5. Bam	9. MH	13. Ann, Su
2. Gelore Creek	5. Gordon	10, BIK	14. SF
3. QC, QCA	7. Limpoke	11, JW	15. Goat
4. Nabe	8. Poke	12. Copper Canyon	16. Mary

GRAND CANYON PROJECT B.C.

GEOLOGICAL LEGEND

The most economically important exploration targets are porphyry copper-gold-silver deposits and peripheral mesothermal and shear zone-hosted precious metal veins (Logan et al, 1989).

3.0 PROPERTY GEOLOGY

The Canyon25 property is underlain by sedimentary rocks, predominantly siltstone, which have been hornfelsed by a large syenite intrusive which occupies the centre part of the claim. The hornfels carries 10% to 40% disseminated pyrite and is responsible for a large gossanous area near the peak of Rugged A black, medium grained rock containing 40% to 50% Mountain. magnetite and a like amount of biotite occurs at the contact between the syenite and the sediments. This unit is best exposed on the steep, westerly-facing cliffs along the western boundary of the claim. It is cut by numerous pink, porphyritic syenite dykes ranging from 1cm to 2m wide and contains widespread malachite staining which is related to calcite stringers. In places, the syenite is pegmatitic with feldspar phenocrysts up to 5cm long.

4.0 GEOCHEMISTRY

Three types of geochemical samples (stream silt, rock and soil) were collected during the work program. Sample locations and results are plotted on Figure 4.1.

4.1 Analytical Methods

Ten rock samples were collected from the property and shipped to Acme Analytical Labs. Thirty element ICP and gold by fire assay was done on each sample, and sample locations were marked in the field by metal tags and orange flagging tape.

Two stream sediment samples were taken from the Canyon25 property. The samples were collected with a hand trowel or by hand and placed in kraft sample bags, air dried and shipped to Acme Analytical Labs of Vancouver, B.C. Sample analysis consisted of 30 element ICP and gold by fire assay. Sample sites were located by elevation and topography and marked by metal tags and orange flagging tape.

Three soil samples were collected using a maddock, placed in kraft paper bags and air dried. They were then shipped to Acme

Analytical Labs where 30 element ICP and gold by fire assay was done. As with other samples, locations were marked in the field with metal tags and orange flagging tape.

4.2 Results

The analytical results are presented in Appendix I.

The magnetite - biotite rock which occurs at the contact between the syenite and the sediments is black, fine to medium grained and very magnetic. It weathers easily to black, magnetic sand. The composition is primarily magnetite and biotite, with 5% pink feldspar phenocrysts. Calcite stringers and malachite staining are common. This rock is represented by grab samples 31019 and 31329. These samples are anomalous in copper (10079ppm and 3704ppm), silver (6.9ppm and 2.2ppm), and gold (700ppb and 81ppb).

The hornfelsed sediments are very fine grained and typically carry 5 - 10% disseminated pyrite. Grab samples 31023, 31330 and 31331 are from this unit. These samples carry 552ppm, 268ppm and 600ppm copper and 21ppm, 19ppm and 14ppm arsenic. Sample 31331 contained 15ppm molybdenum. The concentrations of other metals are low.

The syenite intrusive is a very distinct unit, displaying beautiful orthoclase phenocrysts to 5cm in length. This rock type is represented by grab samples 31020, 31021, 31324, 31417 and 31250. The latter two samples show weak silicification and trace disseminated pyrite. Samples 31020 and 31021 returned low metal values. Samples 31324 and 31250 contained 12ppm and 67ppm molybdenum and 13ppb and 35ppb gold. Sample 31417 returned 2204ppm copper, 1.6ppm silver and 98ppb gold.

One soil sample (31022) and two talus fine samples (31418, 31419) were collected from the property. The soil sample returned 369ppm molybdenum, 1.8ppm silver, 20ppm arsenic and 39ppb gold. This sample was taken from very gossanous soil approximately overlying the syenite/hornfels contact. The talus fine samples returned 21ppm and 15ppm molybdenum, 341ppm and 1346ppm copper, 49ppm and 759ppm lead, 110ppm and 296ppm zinc, and 40ppb and 21ppb gold. These samples were collected from syenite talus characterized by rusty weathering and ankerite veinlets.

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Two moss mat samples were collected from the main southeast flowing creek on the property. Analyitical results for these two samples are virtually identical and show low metal values, exept for 11ppb and 91ppb gold.

5.0 CONCLUSIONS AND RECOMMENDATIONS

The presence of the syenite intrusive and the pyritic hornfels give this property some potential. The massive magnetite/biotite unit is also interesting as it carries widespread copper mineralization and gold up to 700ppb. One day of hand trenching is recommended in order to investigate the source of the gossanous soils and ferricrete seen at the syenite/hornfels contact. Further sampling of the magnetite - biotie unit is recommended to follow up the 700ppb gold result from sample 31019.

6.0 REFERENCES

Brown, D.A. and Gunning, M. (1989): "Geology of the Stikine River Area, Northwestern B.C.", B.C. Ministry of Energy, Mines and Petroleum Resources, Geological Field Work, 1988, Paper 1989-1, pp. 251-267.

Holbek, P.M. (1988): "Geology and Mineralization of the Stikine Assemblage, Mess Creek Area, Northwestern British Columbia.", University of British Columbia MSc thesis.

Kerr, F.A. (1948): "Lower Stikine and Western Iskut River Areas, B.C.", GSC Memoir 246.

Logan, J.M. and Koyanagi, V.M. (1989): "Geology and Mineral Deposits of the Galore Creek Area, Northwestern B.C.", B.C. Ministry of Energy, Mines and Petroleum Resources, Geological Field Work, 1988, Paper 1989-1, pp. 269-284.

Souther, J.G. (1972): "Telegraph Creek Map Area, B.C.", GSC Paper 71-44.

7.0 STATEMENT OF COSTS

Labour

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Project Geologist 1 day @ \$253/day Geologist 1 day @ \$165/day Senior Assistant 2 days @ \$115/day	\$ \$ \$	253.00 165.00 230.00
Food and Accommodation 4 mandays @ \$ 90/day	Ş	360.00
Geochemical Analysis + Freight		
Rock Samples100\$ 25/sampleSilt Samples20\$ 25/sampleSoil Samples30\$ 25/sample	\$ \$ \$	250.00 50.00 75.00
Supplies	\$	200.00
Mob/Demob	\$	200.00
Helicopter Support (including fuel) 1.0 hrs @ \$700/hr	\$	700.00
Report Preparation 1 day @ \$165/day	\$	165.00
TOTAL	\$	2640.00

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APPENDIX I

Analytical Results

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ACME ANALYTICAL LABORATORIES LTD.

852 E. HASTINGS ST. VANCOUVER B.C. V6A 1R6

PHONE(604)253-3158 FAX(604)253-1716

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GEOCHEMICAL ANALYSIS CERTIFICATE

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HN03-H20 AT 95 DEG. C FOR OWE HOUR AND IS DILUTED TO 10 ML WITH WATER. THIS LEACE IS FARTIAL FOR ME IE SE CA P LA CE NG BA TI B W AND LIMITED FOR WA K AND AL. AU DETECTION LIMIT BY ICP IS 3 PPN, - SAMPLE TYPE: PI ROCK P2 SOIL AU* AMALYSIS BY ACID LEACH/AA PROM 10 GH SAMPLE.

5ample‡	XO PPH	Cu PPX	PD PPK	ZD PPN	Ag PPK	NI PPN	CO PPK	No PPX	Fe 1	As PPX	U PPK	ÂU PPN	47 89%	ST PPH	Cd PPK	Sb PPH	BÍ PPX	V PPK	Ca t	P 1	La PPX	CT PPX	Ng S	Ba PPK	11 1	B PPX	31 }	Na 1	X t	¥ PPH	AU * PPB
RN 25-1 31019 RN 25-1 31020 . RN 25-1 31021	1 1 3	10079- 36 199	22 8 15	90 34 76	6.9 .1 .3	13 3 5	29 3 9	1092 529 755	7.76 1.41 3.27	10 2 5	5 5 5	90 No No	2 2 3	230 192	2 1 1	2 2 2	5 2 2	303 64	4.40 1.64 1.94	, 468 . 020 .091	31 14	14 3 5	1.74	124	.20	6 10	2.14	.01 .02	1.04	1	700 1
- 8H 25-1 31023 RH 25-1 31250	5 57	552 46	14 12	21 17	.3 .1	40 12	9 8	276 181	7.10	21 8	5 5	ND ND	1 1	33 73	1 1 1	1 2	2	45 32	2.73	.116 .030	1	20 17	.52	5	,10 ,10 ,10	15 5	1.77	.02 .04	.03 .02 .04	1 2	19 13
RW 25-1 31324 RW 25-1 31329 - - RW 25-1 31330 BW 25-1 31331 RW 25-1 31311 RW 25-1 31417	12 1 7 15 1	202 3704 268 600 2204	16 8 12 37 10	32 45 30 64 79	.5 2.2 .3 .1	20 15 30 23 11	17 11 19 12 21	471 480 211 466 1079	9.59 4.54 5.87 3.20 6.40	8 3 19 14 5	6 5 5 5 5	ND ND NC ND	6 2 1 2 3	76 102 19 133 151	1	2 2 2 2 2 2	2 16 2 2 11	99 164 90 87 251	1.34 2.24 1.01 4.77 4.75	.028 .239 .095 .155 .297	19 9 7 10 15	4 51 39 45 16	.39 1.05 .88 1.24 1.76	9 46 11 30 168	.09 .12 .15 .12 .31	7 3 5 6	1.37 .88 1.41 1.84 2.47	.03 .02 .03 .01 .13	.05 .05 .06 .23 1.30	5 2 2 2 2	35 81 12 1 98
STD C/AU-R	18	61	42	132	6.6	68	30	1056	4.10	37	20	1	37	49	18	15	21	59	. 52	.088	38	57	.91	174	.07	35	1.99	.06	.13	12	490

-ASSAY REQUIRED FOR CORRECT RESULT -

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SAMPLE‡	Xo PPN	Cu PPK	PD PPN	az PPX	Ag PPN	¥i PPK	CO PPN	Xa PPX	Fe t	λ5 РРК	U PPN	Xu PPX	te PPN	ST PPK	Cđ PPM	SD PPK	Bİ PPM	¥ 99%	Ca 1	Р 1	La PPN	Cr PPX	Ng ł	Ba PPN	Ti ł	B PPK	11 1	Na S	K 1	66K A	AU* P88	
31022 31251 31252 31413 31419	369 8 1 21 15	332 198 184 341 1346	47 9 9 19 759	35 97 88 110 296	1.8 .1 .1 .1 1.1	4 20 20 20 11	7 23 23 28 39	128 831 826 996 1634	8.78 6.12 9.07 6.79 14.27	20 9 7 7 10	5 5 5 5 5	ND ND ND ND ND	1 1 1 1	35 234 237 90 93	1 1 1 1 1	3 3 2 2 2	2 2 2 2 2 2	60 241 269 185 241	.31 2.97 2.99 .95 .78	.081 .331 .342 .136 .148	13 20 19 11 57	6 37 30 40 23	.14 1.21 1.12 1.66 1.35	40 41 39 47 13	.01 .13 .13 .13 .08	2 2 7 2 2	.52 1.60 1.63 2.73 2.87	.01 .02 .02 .01 .01	.08 .09 .07 .29 .12	2 2 1 1 1	39 11 91 40 21	
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APPENDIX II

Sample Summary

RUGGED MTN SAMLES (CN25)

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SAMPLE	NO.	SAMPLE TYPE	DESCRIPTION	MINERALIZATION
CN-25	31019	o/c	med. grained mafic intrusive	1%py, trace cpy, malachite staining
	21020	0/0	sventite permatite.kfsp to 6 cm	
	31021	0/C	syenite pegmatite,40%kfsp,20%mt., 30%hbld and biotite	2% diss. pyrite in 50cm wide
	31022	soil	B' horizon, red-orange colour	
:	31023	o/c	hornfelsed tuff or silstone,10-15% calcite	5% white pyrite
	31250	o/c	orthoclase porphyry syenite	diss,steely gray py.
:	31251	silt	moss matt	
	31252	silt	moss matt	
	31324	o/c	megacrystic orthoclase porphyry syenite	diss and fracture fill py.
	31329	o/c	med-coarse gr. mafic phase of syenite	minor malachite staining
	31329		0-5% kfsp,60-100% mt and biot	
	31330	o/c	rusty hornfels, v.f.g.grey non descriptr	<pre>x 10-15% pyrite</pre>
	31331	o/c	rusty hornfels,1-2% calcite stringers	tr. diss. py., malachite staining
	31417	r/c	variety of syenite compositions and textures	diss. cpy within aggregates
<u>:</u>	31418	soil	<pre>talus fines,syenite-wk alt'n zone def'nd by ank. veinlets;'B',surface,red/brown trace orgs</pre>	1
	31419	soil	talus fines,rust brown,2cm,'B' &'C',	pyrite

APPENDIX III

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Statement of Qualifications

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STATEMENT OF QUALIFICATIONS

I, Peter Holbek, DO HEREBY CERTIFY THAT:

- I am a project geologist presently employed by Homestake Mineral Development Company located at 1000 - 700 West Pender Street, Vancouver, B.C. V6C 1G8
- 2) I graduated from the University of British Columbia with a B.Sc. (Hons.) in geology in 1980 and an M.Sc. in geology in 1988.
- 3) I have actively practiced my profession in North America since 1975.
- 4) The work described herein was done by me or under my direct supervision.

DATED THIS 8th DAY OF AUGUST, 1989 AT VANCOUVER, B.C.

Peter Holbek

I, Robert G. Carmichael of 4058 West 32 Avenue, Vancouver B.C. do hereby state that:

- I graduated with a Bachelor of Applied Science in Geological Engineering in 1987 from the University of British Columbia;

- I have been employed by Homestake Mineral Development Company since May of 1989;

- I was employed by Esso Minerals Canada Limited from May 1987 to February 1989;

- I was employed by Noranda Exploration Company during the summer months of 1985 and 1986.

Robert G. Carmichael July 27 1989



