

GEOCHEMICAL REPORT  
ON  
LUCKY SHIP #1-4 CLAIMS  
RECORD #'s 12403 - 12406 INCL.  
OMINECA MINING DIVISION  
NTS: 93L/3W

LATITUDE: 54<sup>0</sup> 01.8' N. (UTM 5987000M N.)  
LONGITUDE: 127<sup>0</sup> 30.2' W. (UTM 598000M E.)

OWNERS AND OPERATORS: Eric A. Shaede, 50%  
Lorne B. Warren, 50%

AUTHOR : Eric A. Shaede

DATE: September 17, 1991

**GEOLOGICAL BRANCH  
ASSESSMENT REPORT**

**21,645**

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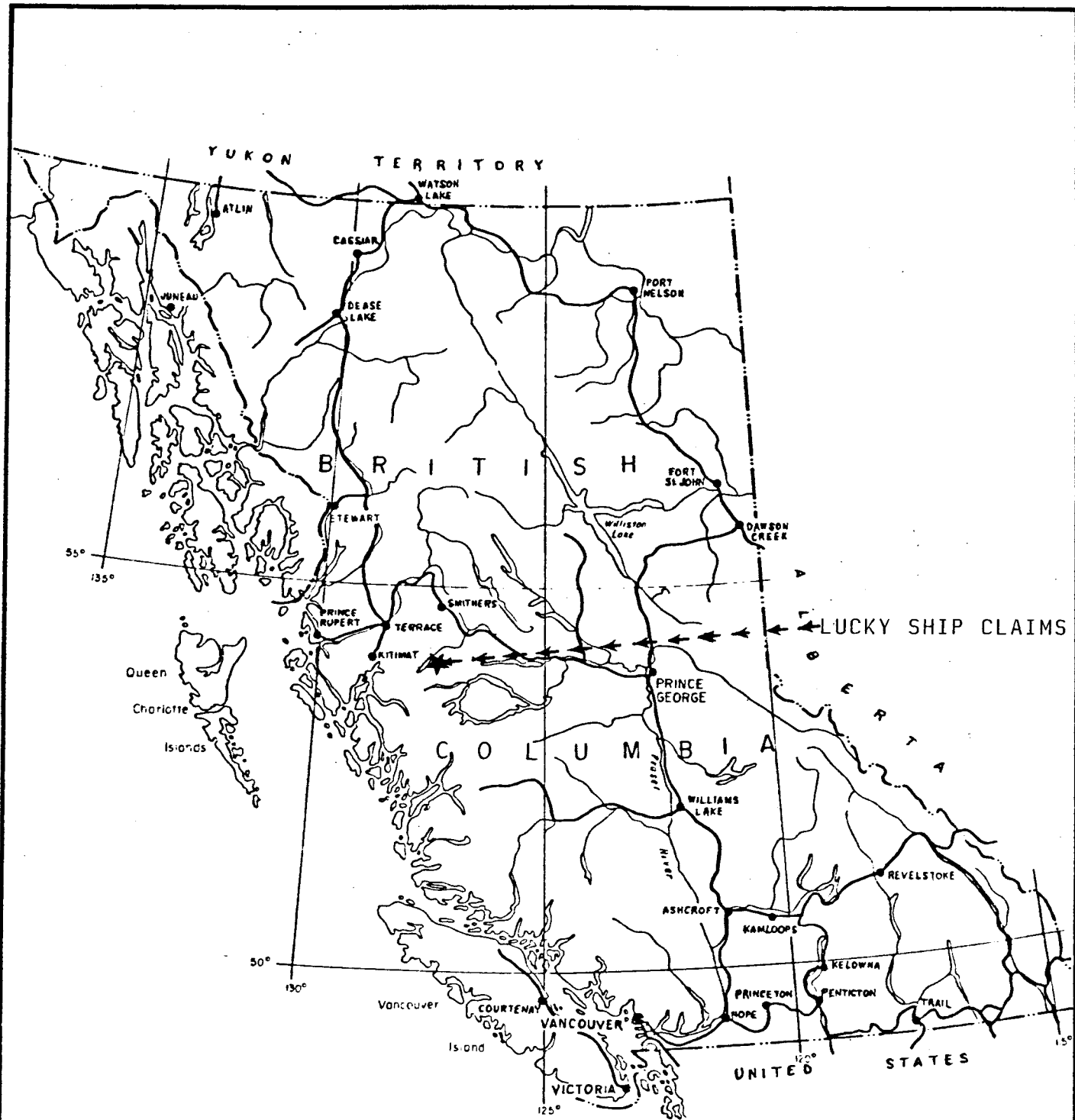
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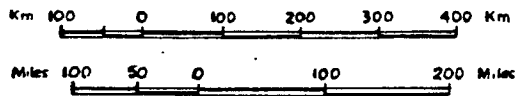
INTRODUCTION:

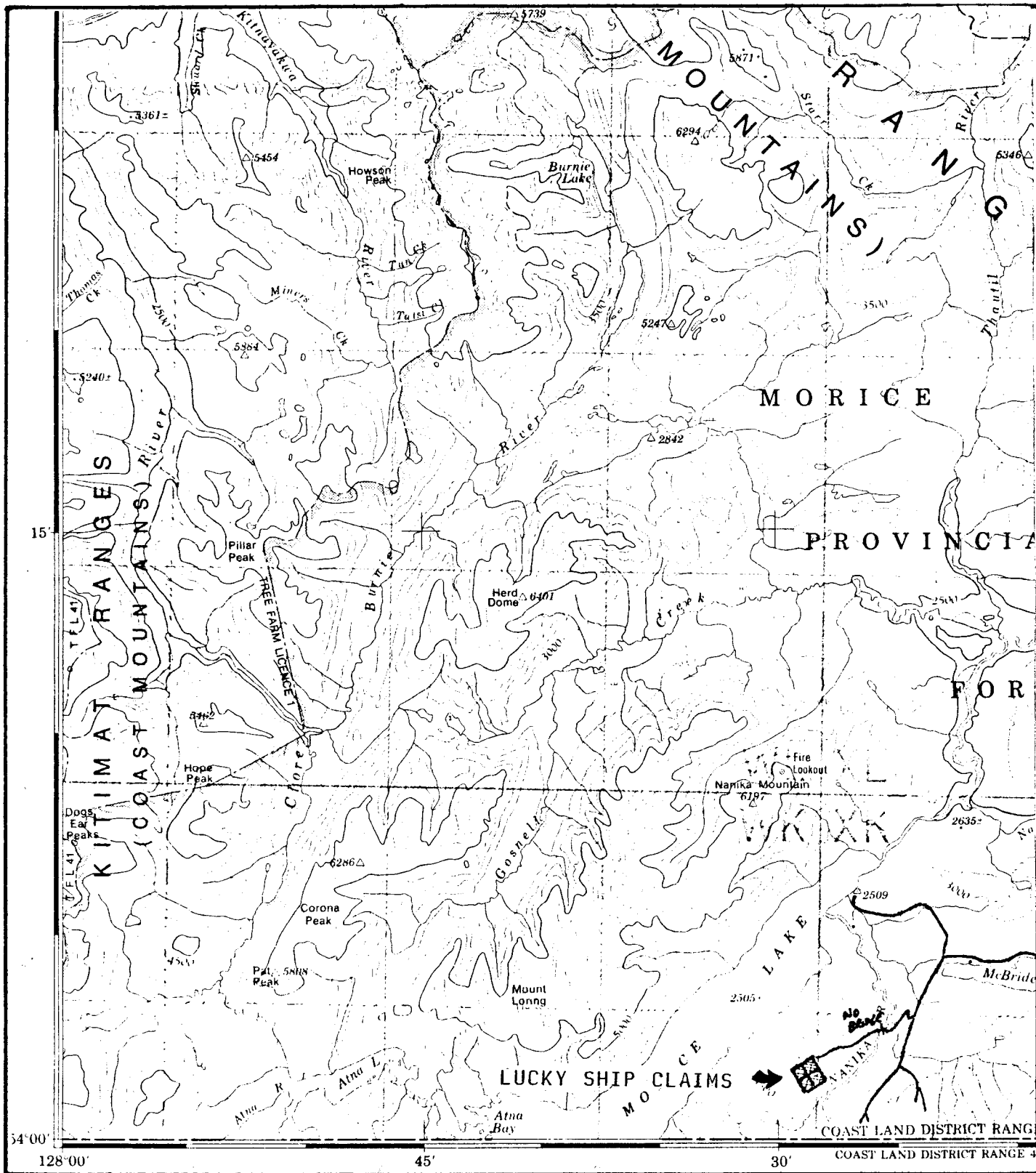
1. Property Description: The Lucky Ship property consists of four two-post claims, record numbers 12403 - 12406 inclusive, in the Omineca Mining Division. The anniversary date is August 6th, and with the application of the work reported herein, the claims will be in good standing until 1993. The claims were staked on August 6th, 1990 to cover a portion of the ground previously held under the Lucky Star claims which forfeited on August 5th, 1990. The Lucky Ship claims cover the major portion of the Lucky Ship molybdenum deposit originally explored by Amax. The recorded owners of the Lucky Ship claims are Eric A. Shaede of R.R. #1, Sicamous, B.C., V0E 2V0 and Lorne B. Warren of P.O. Box 662, Smithers, B.C., V0J 2N0.

2. Location and Access: The Lucky Ship claims are located at about 1200M elevation on the top of a small mountain between Morice Lake and the Nanika River, approximately 70km by air from Houston, B.C.. The initial post for all four claims is located on the old Amax grid line 0+00 at approximately 44+00 S and this location is approximately 800 meters southeast of the old Amax camp along an old drill road. The location lines run along the old grid line, at N30<sup>0</sup>W for claims 1 & 2 and at S30<sup>0</sup>E for claims 3 & 4. Maps 1,2 and 3 show the claims relative to highways, logging roads and topography. There are no other claims in good standing in the immediate vicinity.



MAP 1		
GENERAL LOCATION MAP		
LUCKY SHIP CLAIMS		
Drawn: EAS	Checked: EAS	
Scale: As shown	Date: 16/09/91	



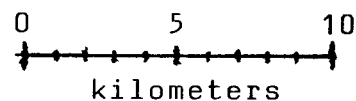


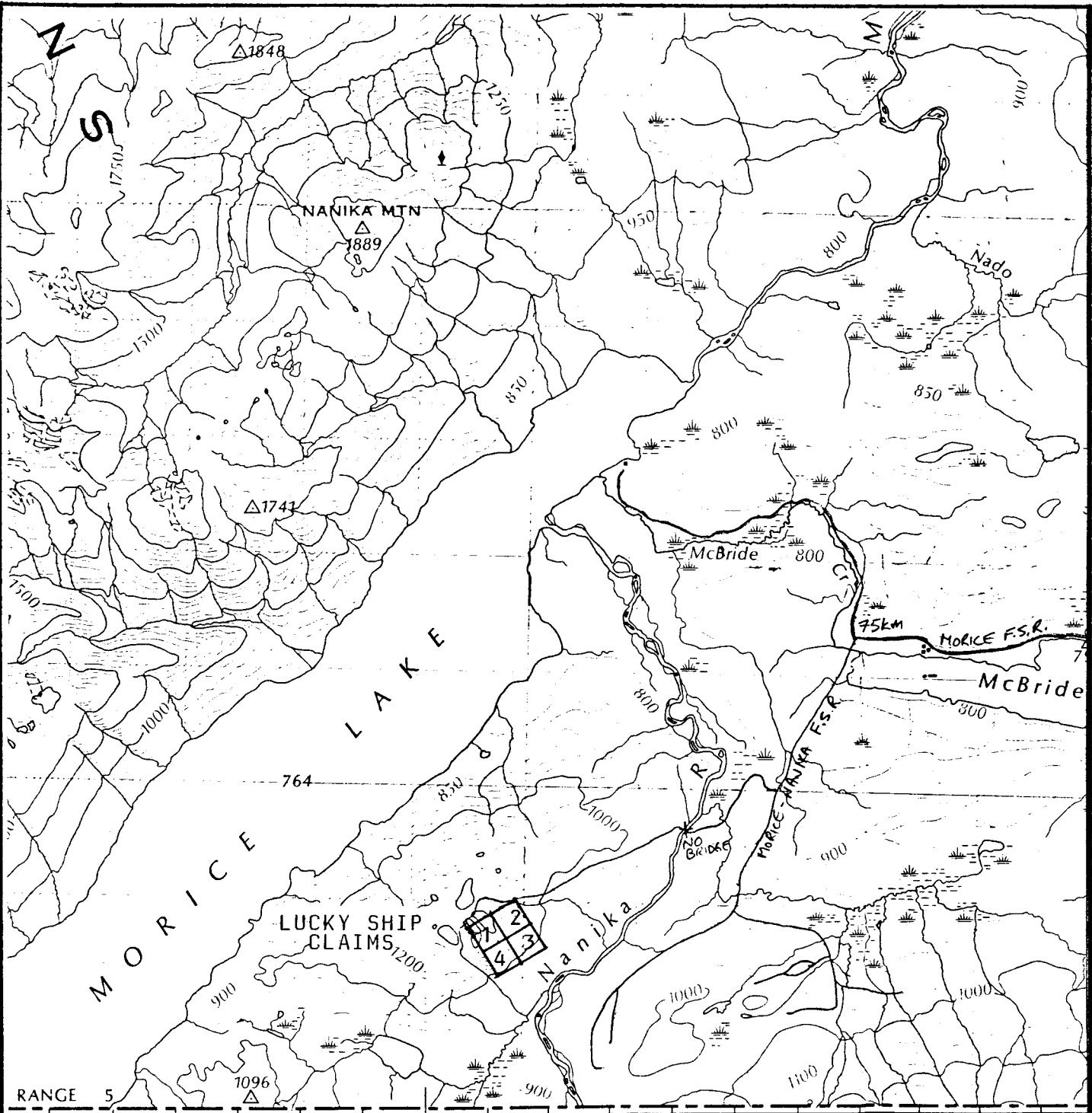
MAP 2

INDEX MAP

LUCKY SHIP CLAIMS

NTS: 93L Scale = 1:250,000





RANGE 5  
RANGE 4

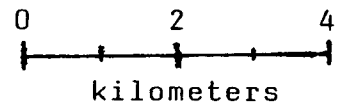
30'

MAP 3

DETAILED INDEX MAP

LUCKY SHIP CLAIMS

NTS: 93L/SW Scale = 1:100,000



The claim area is presently accessible only by helicopter, since the bridge across the Nanika River on the old Amax access road was washed out many years ago. In addition, the road is heavily overgrown in places and it is not possible to ford the Nanika River because of steep banks and deep water. Good all-weather logging roads lead from Highway 16 at Houston to the Nanika River area, where there are numerous sites available for helicopter staging within a few minutes flying time from the claims. Access for this work was via Canadian Helicopters aircraft from Smithers, B.C. and the old exploration camp site located near a small lake was used as the landing site. One small building remains in good condition in the old Amax camp and this is available for accomodation and shelter.

3. Physiography: The claim area is partially forest covered with pine, spruce and hemlock timber. Underbrush is heavy in places and some areas of the old exploration roads are heavily overgrown with willows and brush. Relief is moderately steep to the southeast. Outcrop is quite plentiful on the property and some areas have been stripped and trenched by previous owners. A small lake at the camp site and several small creeks in the area would provide sufficient water for camp and exploration purposes. Snowfall in the area is fairly heavy and the claims are snow-free only from July to October.

4. Previous Work: The Minfile reference number for the Lucky Ship molybdenum deposit is 93L/053. The property was apparently originally discovered by M. Sam and B. McCrae of Topley in 1957. Plateau Metals (now Wharf Resources) optioned the prospect in 1963 from the original owners and subsequently dealt the claims to Southwest Potash Corp. (Amax) who held the ground until 1986. During the 1960's, Amax did considerable work on the property, including more than 35,000 feet of drilling. Unfortunately, none of their results have been published. Only a small amount of general geological information is available from public files and a figure of 20,000,000 tons @ 0.16% MoS<sub>2</sub> is given as total geological reserve. The molybdenum mineralisation is reported to be associated with a small complex rhyolite porphyry intrusive plug which intrudes Hazelton group volcanic, pyroclastic and sedimentary rocks. The deposit has been compared to the Climax Colorado deposit, only being smaller in extent. The best available geological description of the property was found to be a 1:2400 scale geology map produced by Amax in 1967 and available from the Open Property Files at the B.C. Ministry of Mines offices in Victoria.

When Canamax allowed their original Lucky Ship claims to lapse in 1986, the ground was acquired by the author and his partner as a possible precious metals prospect with the proven molybdenum reserves being of potential future value. A small program of prospecting and examination of old drill core was conducted in July 1987 and report 16,308 was filed for assessment. Several anomalous areas of gold and silver were located in that work.

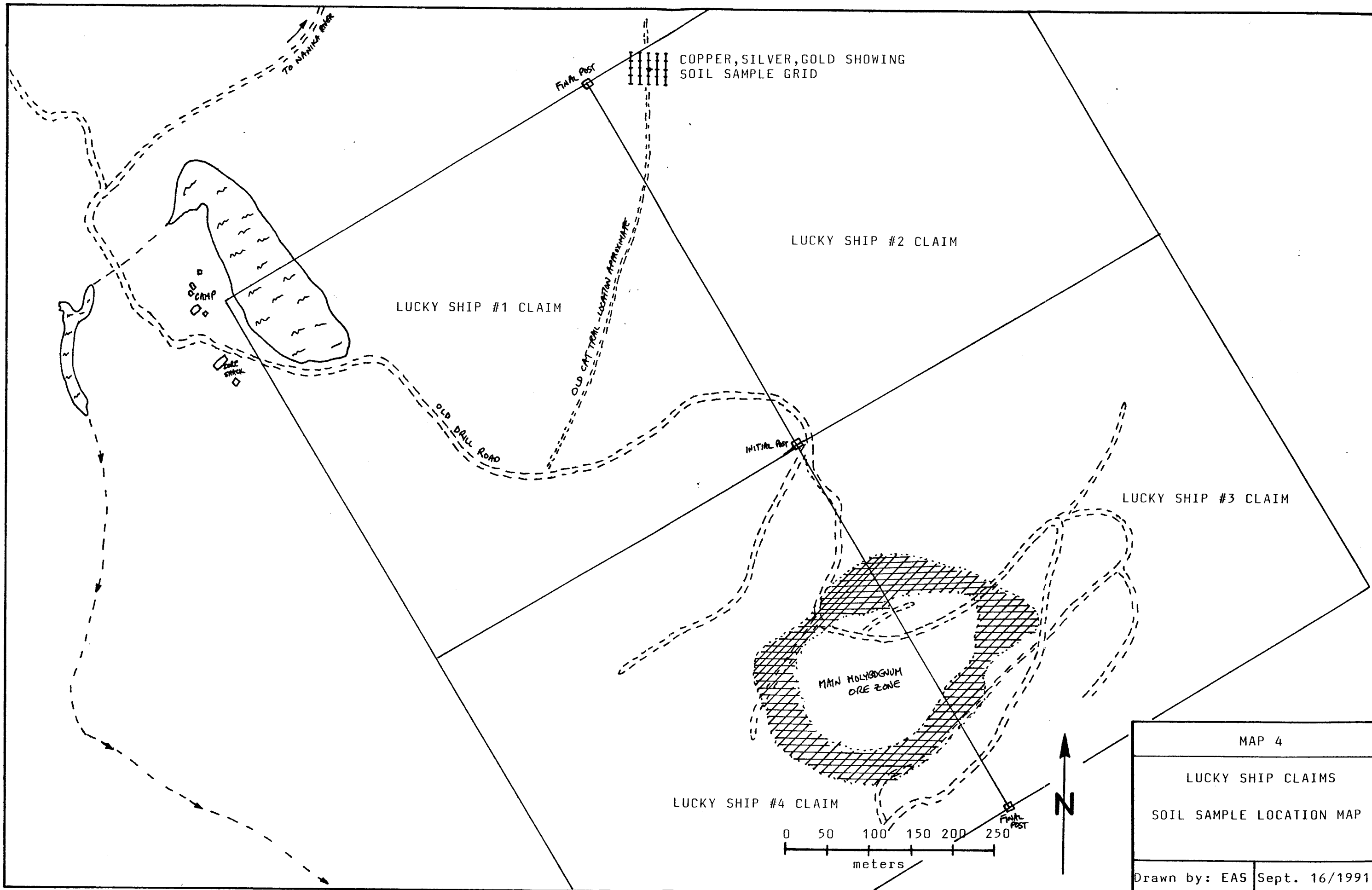


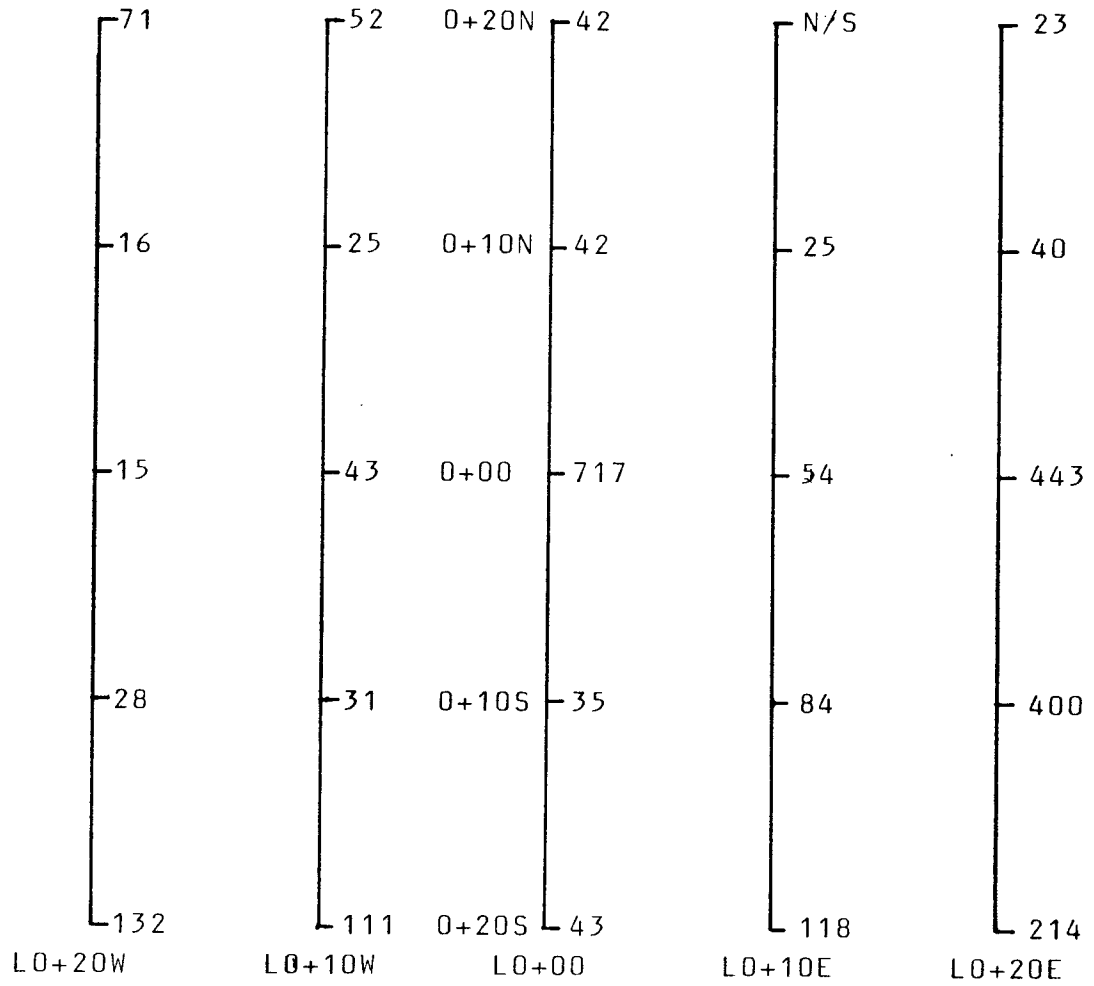
5. Scope of the Present Work: During prospecting in 1987 (see A.R. #16,308) the present owners discovered an area of alteration and quartz-veining with anomalous copper, gold and silver values located several hundred meters north of the main molybdenum ore zone. The present work was undertaken following completion of restaking of the property and represents follow-up geochemical examination of the anomalous area in an attempt to determine if the showing had significant lateral extent. A small 40 meter by 40 meter grid was established surrounding the showing, and 24 soil samples were collected on 10 meter stations. These samples were later submitted to Min-En Laboratories where they were screened and analysed for 31 elements by ICP.

#### RESULTS AND DISCUSSION:

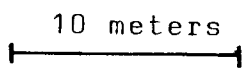
The soil samples were collected from the "B" horizon at depths of about 5-10 cm using a mattock to dig the hole. The samples were stored in Kraft paper envelopes and were screened at the laboratory on 80 mesh. The minus 80 mesh fraction was subjected to a standard acid digestion and ICP analysis for 31 elements at Min-En Laboratories. The results are given in Appendix 1. Sample locations are plotted on Map 4. Grid plots of the copper, silver and molybdenum data are given on the following pages.

An insufficient number of samples were collected to enable proper statistical determination threshold values. On the basis of ball-park thresholds of 1.0 ppm for silver, 100 ppm for copper and 2 ppm for molybdenum, there are several anomalous sites

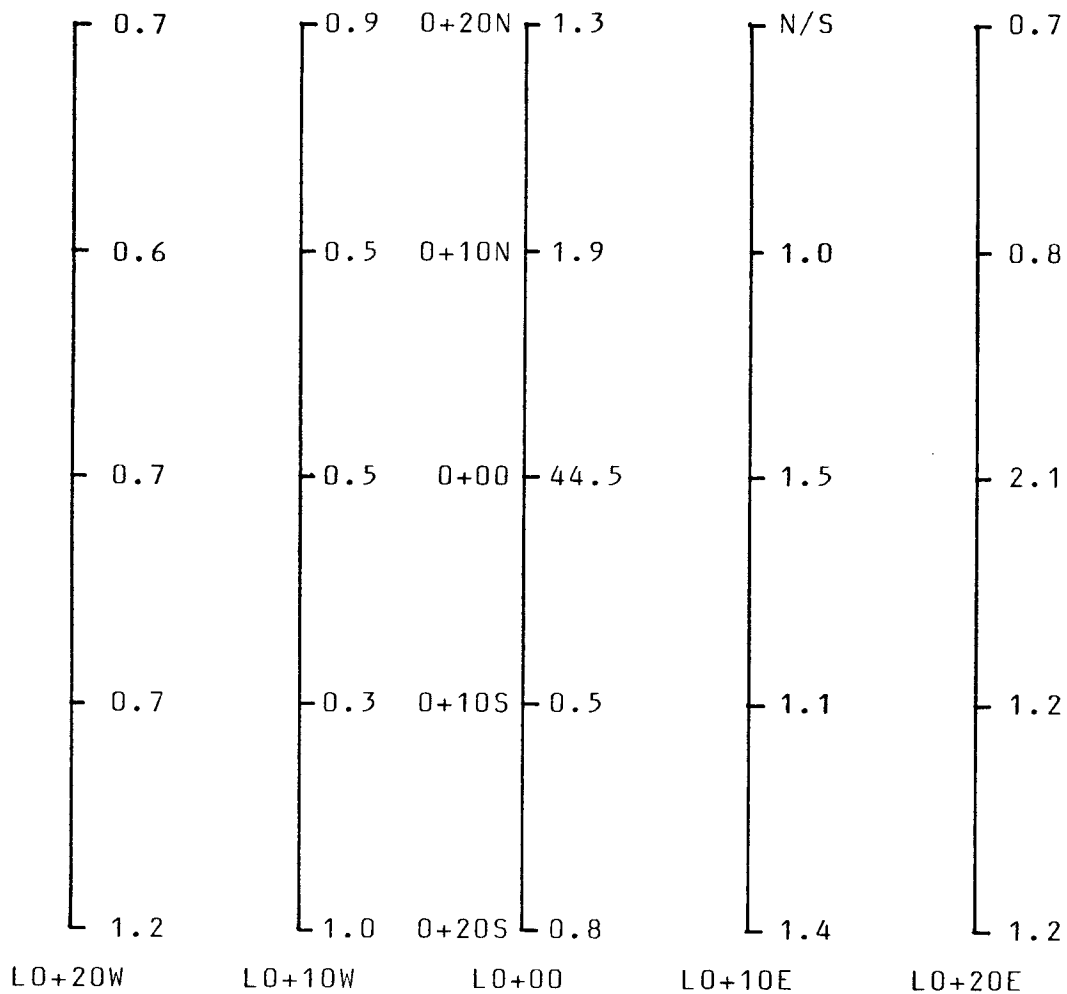




┌71 = Copper by ICP in ppm.



MAP 5	
LUCKY SHIP CLAIMS COPPER ANALYSES SOIL SAMPLE GRID	
drawn by: EAS	Sept. 16/91

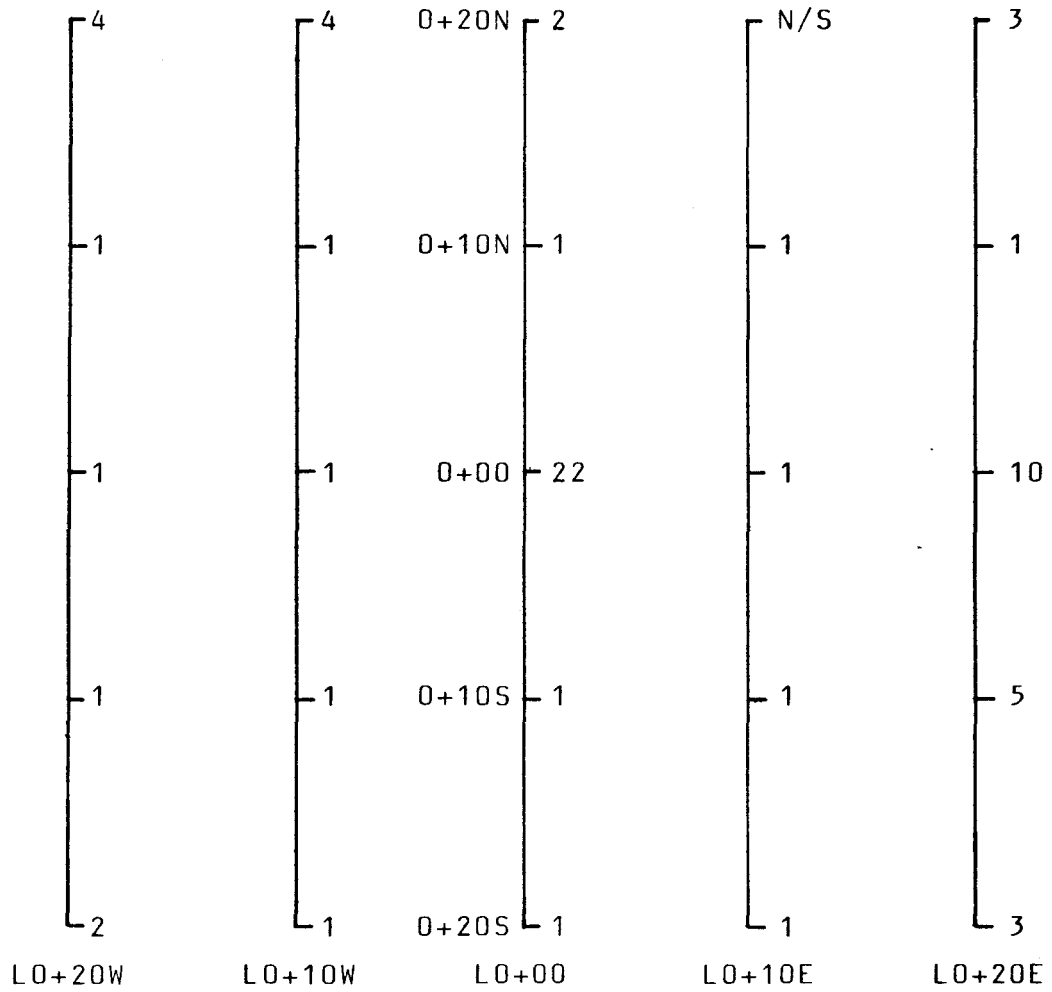


0.7 = Silver by ICP in ppm.

10 meters



MAP 6	
LUCKY SHIP CLAIMS SILVER ANALYSES SOIL SAMPLE GRID	
drawn by: EAS	Sept. 16/91



┆ 4 = Molybdenum by ICP in ppm.

10 meters



MAP &	
LUCKY SHIP CLAIMS MOLYBDENUM ANALYSES SOIL SAMPLE GRID	
drawn by: EAS	Sept. 16/91

present within the grid area. The soil sample taken immediately adjacent to the mineralised outcrop at the grid center is, as expected very anomalous in almost all elements. However, the samples taken from the four stations 10 meters away from and surrounding the outcrop site, did not contain significantly enhanced metals values. Four stations on the south boundary and two on the east boundary did contain anomalous metals values and therefore further exploration should be conducted in this area to expand the grid size and attempt to define the anomalous area in more detail. A VLF-EM survey in this area would also be useful in determining if there is significant size to the zone of mineralisation.

CONCLUSION:

A limited soil geochemical survey in the area surrounding an outcrop of mineralisation has indicated that additional copper-silver mineralisation probably occurs to the south and east of the showing. Further exploration of the area is warranted.

REFERENCES:

B.C. Minister of Mines Annual Reports; 1957(12), 1963(28), 1964(53), 1965(84), 1966(104), 1967(109), 1968(139).

G.S.C. Paper 68-56

B.C. Assessment Report #16, 308.

B.C. Department of Mines - Open Property Files - 93L/3W for Amax Exploration Inc. - Lucky Ship Project - 1966.

DETAILED COST STATEMENT:

Sample collection - 0.5 man-day @ \$200.....= \$100.00  
Analytical costs - Min-En Labs - 24 @ \$7.25 = \$174.00  
Supplies costs - flagging, sample bags, etc.= \$10.00  
Portion of transportation costs - helicopter= \$150.00  
Report writing - 1.0 man-day @ \$200.....= \$200.00  
Report costs - copies, maps, etc.....= \$70.00

TOTAL COSTS: \$704.00

AUTHOR'S CERTIFICATE:

I, ERIC ALBERT SHAEDE, of 411 Coach Road, R.R. #1, Sicamous, B.C., V0E 2V0, do hereby certify that:

- I am a graduate of the University of B.C. and I received degrees of B.Sc., M.Sc. and Ph.D. from that University in 1966, 1968 and 1971 respectively.
- I have been employed in the mining industry since 1973 and currently hold the position of Mill Superintendent for Cheni Gold Mines Inc.
- I have successfully completed the Province of B.C., Mineral Exploration Course for Prospectors on May 18, 1985 and have been engaged in prospecting part-time since that date.
- I personally conducted the work program reported herein and personally wrote this report based on that work.

Dated at Sicamous, B.C., September 17, 1991,



Eric A. Shaede, Ph.D.



