

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORTS

DATE RECEIVED

OCT 20 1995

1995 PROSPECTING REPORT
ON THE PANAMA GROUP

SLOCAN MINING DIVISION
BRITISH COLUMBIA

NTS 82K3

LAT. 50°03' LONG. 117°12'

RECEIVED
GOVERNMENT AGENT
NELSON
OCT 17 1995
NOT AN OFFICIAL RECEIPT
TRANS # _____

FILMED

BY: HORST KLASSEN

GEOLOGICAL BRANCH
ASSESSMENT REPORT

24,078

TABLE OF CONTENTS

- 1.0 SUMMARY
- 2.0 INTRODUCTION
- 3.0 LOCATION, ACCESS AND TOPOGRAPHY
- 4.0 CLAIM STATUS
- 5.0 REGIONAL GEOLOGY
- 6.0 PROPERTY GEOLOGY
- 7.0 MINERALIZATION
- 8.0 CONCLUSIONS AND RECOMENDATIONS

LIST OF FIGURES

FIGURE 1. LOCATION MAP

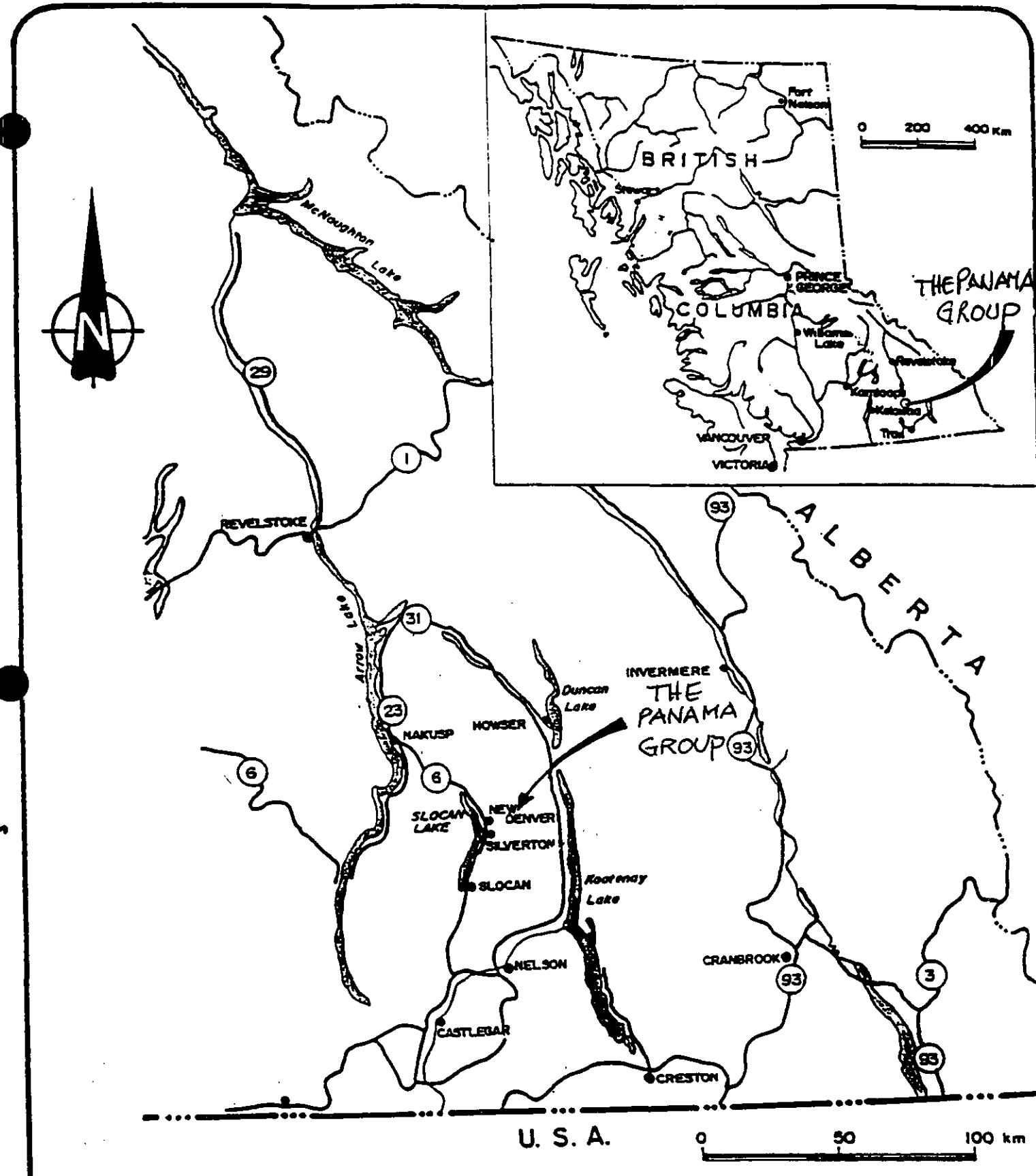
FIGURE 2. CLAIM MAP

LIST OF APPENDICES

APPENDIX I STATEMENT OF COSTS

APPENDIX II STATEMENT OF QUALIFICATIONS

APPENDIX III ASSAY DATA



LOCATION MAP Figure 1

1.0 SUMMARY

The Panama group of claims is located about 5km. above Bear and Fish lake which are on the pass between Kaslo and New Denver on Hwy.#31A. The access road from the highway is in good condition although it needs some work such as brushing. The deposits are located in the Kaslo Group sediments, predominantly slates and argillaceous sediments. Many of the mines of the Panama Group and other surrounding mines have produced high grade silver ore. Five of the mines of the Panama group have shipped high grade silver ore.

2.0 INTRODUCTION

This report is a summary of work done in the 1994 and 1995 prospecting season. Seven days were spent on the property predominantly doing grassroots prospecting including both surface and underground sampling.

3.0 LOCATION, ACCESS AND TOPOGRAPHY

The Silver 3 to 9 and Silver 14 to 20 claims are all located on the London Ridge which is approximately 2km. northwest of Bear and Fish lakes which lie on Hwy#31A between Kaslo and New Denver. The claims are located on NTS map sheet 82K|3 at Lat.50° 03' and Long.117° 12'.

Main access is via an old mine road which takes off from the eastern side of Fish Lake on the north side of the highway. Alternative access is via the Kane Creek Forest Service road which provides access to the northwest side of the London Ridge.

All the claims of the Panama Group are essentially above treeline with elevations ranging from 5300' to 7300'. Topography is quite steep but accessibility is eased somewhat by an extensive network of mine roads which date back to the early 1900's, which have been upgraded and added to in the early 1980s.

4.0 CLAIM STATUS

The Panama Group consists of 14 contiguous 2-post claims (See Fig. #2). Table 1 below lists relevant claim data.

Table 1 Claim Data

CLAIM NAME	TENURE NUMBER	No. of UNITS	MINING DIVISION	N.T.S.	RECORDING DATE	EXPIRY DATE
SILVER 3	327957	1	SLOCAN	82K\3	94/07/18	96/07/18
SILVER 4	327958	1	SLOCAN	82K\3	94/07/18	96/07/18
SILVER 5	327959	1	SLOCAN	82K\3	94/07/18	96/07/18
SILVER 6	327960	1	SLOCAN	82K\3	94/07/18	96/07/18
SILVER 7	327961	1	SLOCAN	82K\3	94/07/18	96/07/18
SILVER 8	327962	1	SLOCAN	82K\3	94/07/18	96/07/18
SILVER 9	330962	1	SLOCAN	82K\3	94/09/23	96/09/23
SILVER 14	330967	1	SLOCAN	82K\3	94/09/23	96/09/23
SILVER 15	330968	1	SLOCAN	82K\3	94/09/24	96/09/24
SILVER 16	330969	1	SLOCAN	82K\3	94/09/24	96/09/24
SILVER 17	330970	1	SLOCAN	82K\3	94/09/24	96/09/24
SILVER 18	330971	1	SLOCAN	82K\3	94/09/24	96/09/24
SILVER 19	330972	1	SLOCAN	82K\3	94/09/24	96/09/24
SILVER 20	330973	1	SLOCAN	82K\3	94/09/24	96/09/24

5.0 REGIONAL GEOLOGY

The Panama group lies in the southern part of the Selkirk Mountains, a region of numerous batholithic and stock-like intrusions including the Nelson Batholith. Sedimentary and volcanic rocks in the area can be divided into three major north to north-northeasterly-trending sequences. The central belt consists predominantly of Mesozoic rocks including those belonging to the Slocan, Kaslo and Rossland groups of sedimentary and volcanic rocks. All Kaslo, Slocan and Rossland Group rocks are Triassic to Lower Jurassic in age.

The western belt consists mainly of metamorphosed Precambrian rocks which include metasediments of the Horsethief Group. These are well-

exposed in the mountainous terrain on the west side of Slocan Lake and as a narrow strip on the east side of the lake separated from the Mesozoic strata by the Slocan Lake Fault.

The eastern sequence of rocks includes metamorphic rocks of the Milford and Lardeau Groups which form the large Kootenay Arc.

6.0 PROPERTY GEOLOGY

No detailed mapping is available on any of the mines within the Panama Group. During the prospecting many mineralized outcrops were examined (See Fig. 3) and the trend of the veins and mineralized zones is typically in a northeast strike with a 60° dip to the west.

The predominant rock type on the claims is a well-bedded argillaceous slate. These rocks are strongly folded. These sediments are in turn cut by aphanitic, cream-coloured felsite dikes which range in width from less than 0.5m. to 30m.

7.0 MINERALIZATION

Sulphide mineralization occurs predominantly in quartz veins hosted by argillaceous slates. Sulphides consist of stephanite('brittle silver'), argentite, tetrahedrite, freibergite pyrite and lesser amounts of sulphosalts such as pyargyrite. Galena and sphalerite are notably absent.

Samples have been taken from outcrop, stopes and dumps. Spectacular high grade silver up to 479 oz/t were obtained from quartz vein material. Significant assays are listed below in Table 2.

Table 2. Significant Assays

<u>SAMPLE #</u>	<u>SAMPLE TYPE</u>	<u>SAMPLE LOCATION</u>	<u>Ag (oz/t)</u>
0257	GRAB	DUMP(PANAMA)	.34
0258	GRAB	DUMP(PANAMA)	172.43
0259	GRAB	DUMP(PANAMA)	10.53
0260	GRAB	STOPE(PANAMA)	461.24
0261	GRAB	STOPE(PANAMA)	277.80

0263	GRAB	STOPE(PANAMA)	21.44
0264	GRAB	STOPE(PANAMA)	479.44
0272	GRAB	DUMP(PANAMA)	1.98
0273	GRAB	DUMP(PANAMA)	116.42
0274	GRAB	STOPE(PANAMA)	132.38
0275	GRAB	OC (SILVER GLANCE)	125.40
0276	GRAB	OC (SILVER GLANCE)	61.96
0280	GRAB	STOPE(PANAMA)	144.53

In addition to vein material, five samples of the felsite dikes were taken (Samples # 270,271,281,285,286). No significant assays were obtained from the felsite dikes. Results are listed in the appendix.

At the Silverglance mine a new vein was discovered on surface with good mineralization hosted by a 1m. wide quartz vein. (See Table 2, samples # 0275, 0276). An access road exists within 50m of the vein.

8.0 CONCLUSIONS AND RECOMENDATIONS

The exploration potential is considered to be excellent due to the limited amount of past work and due to the excellent geology. Veins appear to follow bedding planes and as such have good potential for continuity. The high grade nature of the veins coupled with the existing underground workings and access suggests excellent potential for a small tonnage, high grade operation with minimal start-up costs. The veins represent a discreet target which have been poorly prospected. An integrated exploration program of prospecting, mapping, geophysics and geochemistry would be beneficial.

APPENDIX I

STATEMENT OF COST

Dates Prospected at LONDON RIDGE:

Sept	6	Travel
	7	Prospecting
	21	Travel
	22	Prospecting
	23	Prospecting
	24	Prospecting
	25	Prospecting

Truck 7 days @ 70.00	490.00
Analyses Assay Lab	526.00
Power Saw Standby	70.00
Food Accommodation 7 days @ 70.00	490.00
Report Preparation 2 days @ 100.00	200.00
Crew Leader 7 days @ 175.00	<u>1,225.00</u>
TOTAL	<u>\$3,001.00</u>

BRITISH COLUMBIA PROSPECTORS ASSISTANCE PROGRAM PROSPECTING REPORT FORM

A. SUMMARY OF PROSPECTING ACTIVITY

- Refer to Program Requirements/Regulations, sections 6 to 17.
- Submit completed forms and supporting data to:
Prospectors Assistance Program
Energy, Mines and Petroleum Resources
Room 5092 - 5th Floor, 1810 Blanshard Street
Victoria, British Columbia
V8T 4J1

TO BE COMPLETED BY
SUCCESSFUL APPLICANTS
AFTER PROGRAM COMPLETION

Name HORST KLASSEN Reference Number 94-95 P178

DAYS	Project Area	Project Completed?	Prospecting ¹ Days	Other ² Days	Total Days
1.	<u>SLOCAN LONDON RIDGE</u>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<u>6</u>	<u>2</u>	<u>8</u>
2.	_____	Yes ___ No ___	_____	_____	_____
3.	_____	Yes ___ No ___	_____	_____	_____
4.	_____	Yes ___ No ___	_____	_____	_____
TOTAL			<u>6</u>	<u>2</u>	<u>8</u>

SIGNIFICANT RESULTS (if any)

Project Area	Commodity(s)	Best Analyses	Claim Name
<u>LONDON RIDGE</u>	<u>SILVER</u>	<u>479.02/ton</u>	_____

PROSPECTING ASSISTANT(S) - give name(s) and qualifications of assistant(s) (see section 12)

SHIFT BOSS 1 DAY TO GO UNDERGROUND.

CLAIMS STAKED DURING/AFTER PROSPECTING ACTIVITY

Project Area	Claim Name(s)	No. of Units
<u>LONDON RIDGE</u>	<u>SILVER 9-20</u>	<u>12</u>

OPTION AGREEMENTS

Optionee	Property/claims	Work commitment
<u>NEGOTIATING AT PRESENT.</u>	<u>SILVER 3-20</u>	_____

EXPENDITURES (total of all projects)

1. Travel (state method: road, air, etc.)	<u>7 DAY TRUCK @ 70.00</u>	<u>\$ 490.00</u>
2. Analyses/Assay Costs	<u>AGEME LABS</u>	<u>\$ 526.00</u>
3. Equipment Rentals/Supplies	<u>POWER SAW STABY @ 10.00 7 DAY</u>	<u>\$ 70.00</u>
4. Food and Accommodation	<u>7 DAY @ 70.00</u>	<u>\$ 490.00</u>
5. Report Preparation	<u>2 DAY @ 100.00</u>	<u>\$ 200.00</u>
6. Other expenses (Specify)	<u>CROW KEEPER 7 @ 175</u>	<u>\$ 1225.00</u>
TOTAL		<u>\$ 3001.00</u>

Signature of grantee _____

¹ prospecting activities as found in the prospecting definition (see section 9)

² activities other than those found in the prospecting definition

APPENDIX I

STATEMENT OF QUALIFICATIONS

I, Horst Klassen of 1023 Glendale Avenue, of the Town of Saimo, British Columbia, do hereby certify that:

1. I have completed the Basic Prospecting course in Nelson, BC in 1984.
2. I have completed the Advanced Prospecting course at Lake Mesachie, Vancouver Island in 1984.
3. I have completed the 1992 Petrology and Alteration course in Nelson, BC.
4. I have been prospecting since 1984.

APPENDIX II

**ACME ANALYTICAL LABORATORIES LTD.**

852 E. Hastings St., Vancouver, B.C., CANADA V6A 1R6

Phone: (604) 253-3158 Fax: (604) 253-1716

Our GST # R100035377

**KLASSEN RESOURCES**

P.O. Box 172

Salmo, BC

VOG 1Z0

File: 94-3162

Date: Sep 23 1994

QTY	ASSAY	PRICE	AMOUNT
7	AG ASSAY @	8.20	57.40
2	PB & AG ASSAY @	12.10	24.20
1	ZN ASSAY @	8.20	8.20
3	GEOCHEM AU PT PD & RH BY FIRE ASSAY & ICP/GFA @	11.70	35.10
13	ROCK SAMPLE PREPARATION @	3.85	50.05
			<hr/>
SURCHARGE FOR UNDER 10 SAMPLES ON GR. 3B			174.95
			6.00
			<hr/>
GST Taxable			180.95
7.00 % GST			12.67
			<hr/>
TOTAL			193.62

FREIGHT 15.00

208.62

COPIES 1

APPENDIX III

Please pay last amount shown. Return one copy of this invoice with payment.
 TERMS: Net two weeks. 1.5 % per month charged on overdue accounts.

[COPY 2]

**ACME ANALYTICAL LABORATORIES LTD.**

852 E. Hastings St., Vancouver, B.C., CANADA V6A 1R6

Phone: (604) 253-3158 Fax: (604) 253-1716

Our GST # R100035377

**KLASSEN RESOURCES**P.O. Box 172
Salmo, BC
VOG 1Z0

File: 94-3906

Date: Nov 9 1994

QTY	ASSAY	PRICE	AMOUNT
5	MULTI-ACID DIGESTION ICP ANALYSIS @	8.05	40.25
3	GEOCHEM HG ANALYSIS BY FLAMELESS AA @	3.45	10.35
3	GEOCHEM AS SB BI GE SE & TE BY HYDRIDE ICP @	6.90	20.70
3	GEOCHEM TE ANALYSIS BY HYDRIDE ICP @	6.90	20.70
1	GEOCHEM AU PT PD BY FIRE ASSAY/ICP @	10.40	10.40
1	GEOCHEM WHOLE ROCK ICP + GROUP 4B ICP ANALYSIS @	14.35	14.35
3	AG AU PT & PD BY FIRE ASSAY FROM 1 A.T. @	23.40	70.20
3	AG & AU BY FIRE ASSAY FROM 1 A.T. @	14.30	42.90
3	AU BY FIRE ASSAY FROM 1 A.T. SAMPLE @	10.05	30.15
17	ROCK SAMPLE PREPARATION @	3.85	65.45
			<hr/>
			325.45
	SURCHARGE FOR UNDER 10 SAMPLES PER EACH ANALYSIS		30.00
			<hr/>
		GST Taxable	355.45
		7.00 % GST	24.88
			<hr/>
		TOTAL	380.33

FREIGHT 15.00

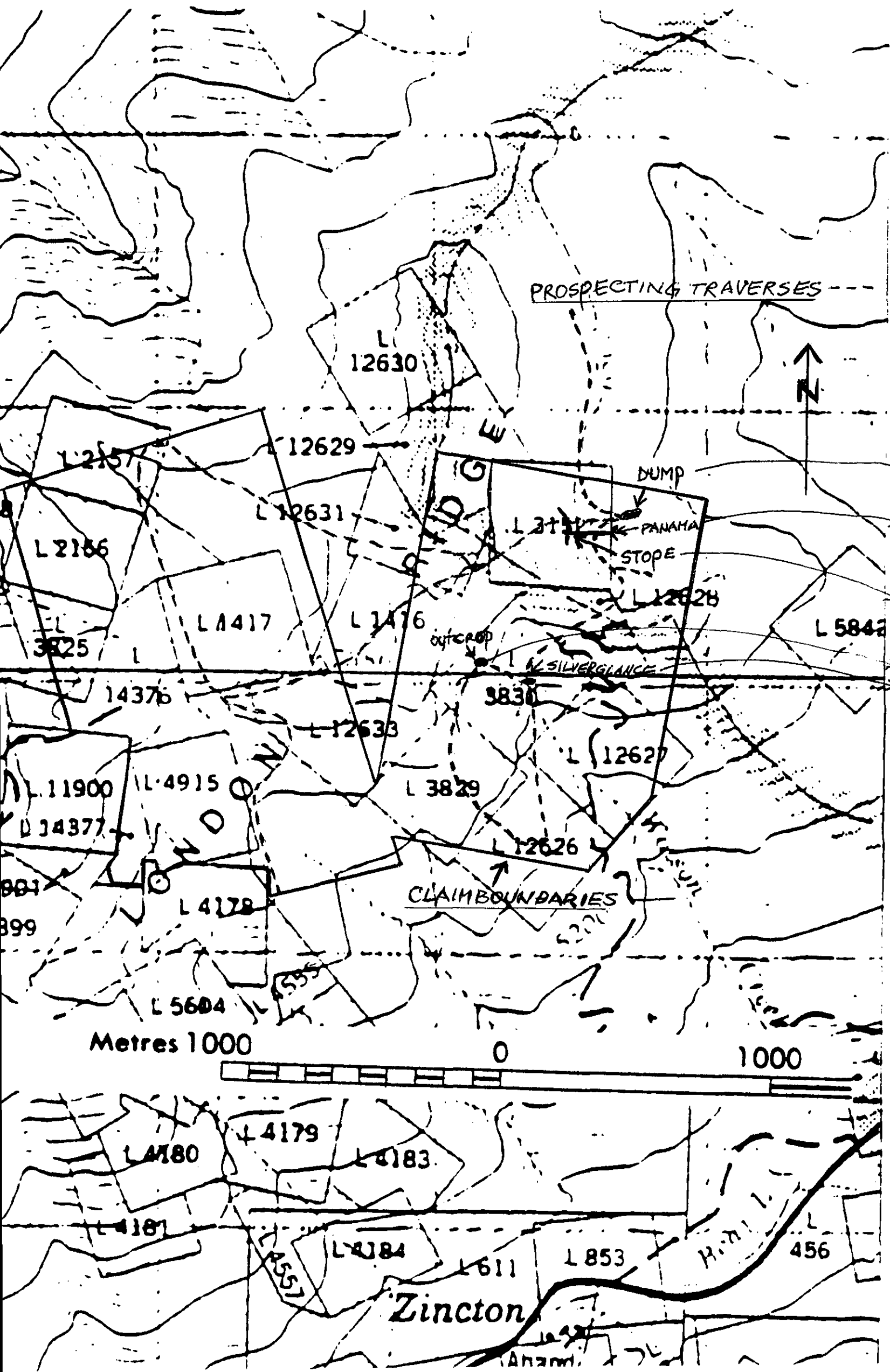
395.33

COPIES 1

APPENDIX III

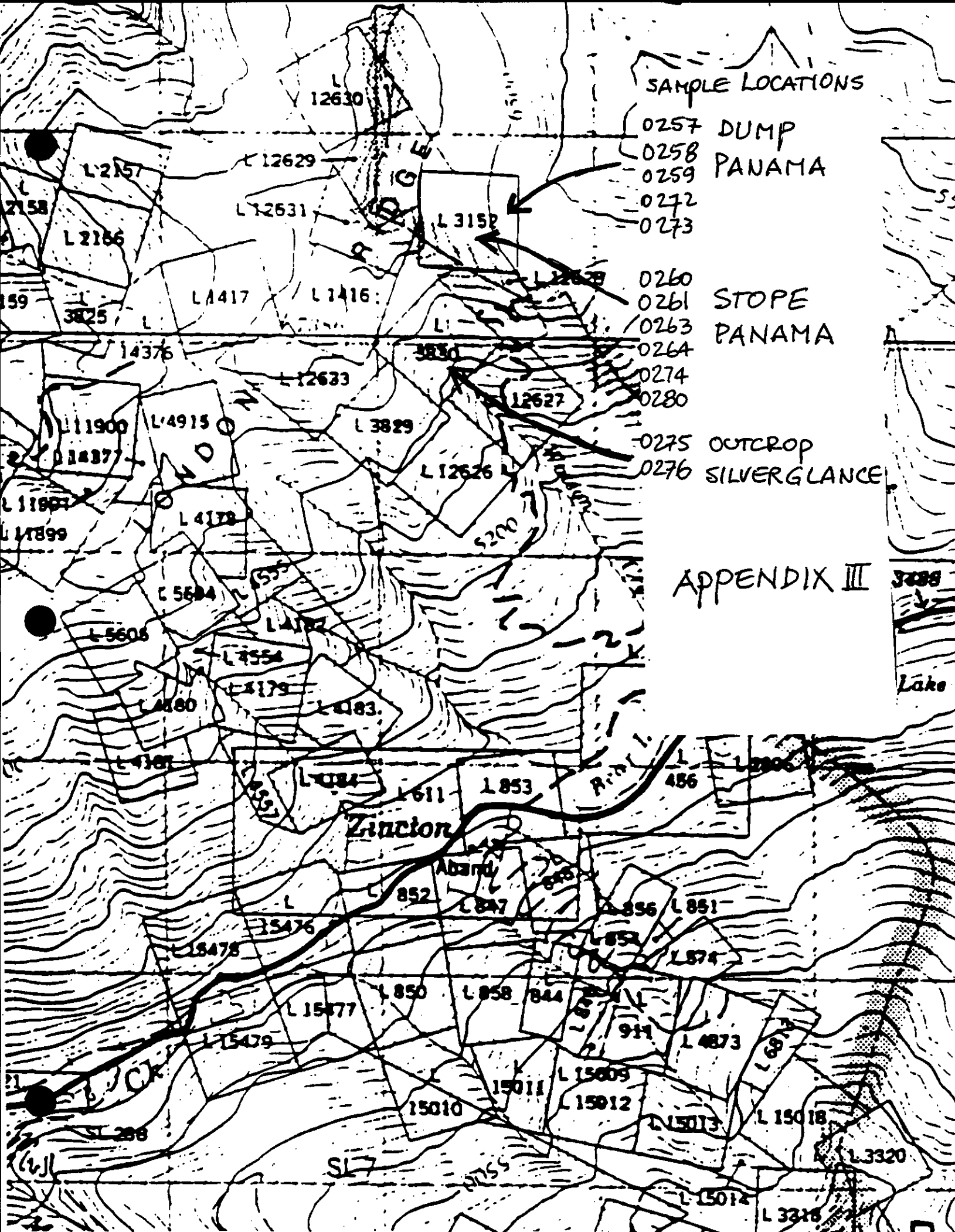
Please pay last amount shown. Return one copy of this invoice with payment.
TERMS: Net two weeks. 1.5 % per month charged on overdue accounts.

[COPY 2]



SAMPLE #	IMPERIAL METRIC	
	AG OZ/t	g/t
0257	.34	9.05
0258	172.4	4890.9
0259	10.5	297.8
0272	1.9	53.9
0273	116.4	3302.2
0260	461.2	13084.2
0261	277.8	7881.1
0263	21.4	607.1
0264	479.4	13600.5
0274	132.3	3753.3
0280	144.5	4099.4
0275	125.4	3557.6
0276	61.9	1756.1

APPENDIX III



SAMPLE LOCATIONS

- 0257 DUMP
- 0258 PANAMA
- 0259 PANAMA
- 0272
- 0273
- 0260
- 0261 STOPE
- 0263 PANAMA
- 0264
- 0274
- 0280
- 0275 OUTCROP
- 0276 SILVERGLANCE

APPENDIX III

3088
Lake

Zincion

Aband

SL 7

L 2157

L 12630

L 12631

L 3152

L 2186

LA 417

L 1416

0260

STOPE

0261

PANAMA

0263

0264

0274

0280

0275

OUTCROP

0276

SILVERGLANCE

L 11900

L 4915

L 3829

L 12626

L 2627

L 5606

L 4554

L 4180

L 4179

L 4183

L 4187

L 4184

L 611

L 853

L 486

L 852

L 847

L 856

L 851

L 15478

L 15476

L 852

L 574

L 15477

L 850

L 858

844

911

L 4873

L 15479

15010

15011

L 15009

L 15012

L 15013

L 15018

L 3320

L 15014

L 3218

GEOCHEMICAL ANALYSIS

Klassen Resources File # 94-3906 Page 4

P.O. Box 172, Salmo BC V0G 1Z0

SAMPLE#	Te ppm	Ag** oz/t	Au** oz/t	Pt** oz/t	Pd** oz/t
X 0272	<.1	1.98	<.001	<.001	<.001
X 0273	-	116.42	.004	<.001	<.001
X 0274	-	132.38	.008	-	-
X 0275	9.4	125.40	.003	<.001	<.001
X 0276	-	61.96	.006	-	-
X 0280	-	144.53	.003	-	-
X 0282	-	-	<.001	-	-
X 0283	-	-	<.001	-	-
X 0284	-	-	<.001	-	-

.500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 deg.C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.

ANALYSIS BY HYDRIDE ICP. GE - PARTIAL LEACHED. -

- SAMPLE TYPE: ROCK AG** AU** PT** & PD** BY FIRE ASSAY FROM 1 A.T. SAMPLE.

AU** PT** PD** RH** BY FIRE ASSAY & ANALYSIS BY ICP/GRAPHITE FURNACE.

DATE RECEIVED: OCT 28 1994

DATE REPORT MAILED:

Nov 9/94.

SIGNED BY..... D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS

APPENDIX III

AA
LL

ASSAY CERTIFICATE

AA
LLKlassen Resources File # 94-3162 Page 1
P.O. Box 172, Selmo BC V0G 1Z0

SAMPLE#	Pb %	Zn %	Ag oz/t	
LONDONRIDGE	X 0257	-	.34	
	X 0258	-	172.43	
	X 0259	-	10.53	
	X 0260	-	461.24	
	RE X 0260	-	460.77 ← DUPLICATE SAMPLE	
	X 0261	-	277.80	
	X 0263	-	21.44	
	X 0264	-	479.44	
	X 0265	22.96	-	28.91
	X 0266	79.04	-	108.33
X 0267	-	45.95	-	

} JACKSON BASIN

1 GM SAMPLE LEACHED IN 75 ML AQUA - REGIA, DILUTE TO 250 ML, ANALYSIS BY ICP.
- SAMPLE TYPE: ROCK Samples beginning 'RE' are duplicate samples.

DATE RECEIVED: SEP 12 1994

DATE REPORT MAILED:

Sept 27/94

SIGNED BY: *C. King* D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS

* Fire assay Ag recommended if $> 10^{02}/t$.

APPENDIX 3