GEOLOGICAL SURVEY BRANCH ASSESSMENT REPORTS

> DATE RECEIVED DEC 2 2 1995

Gus Claim Group, Nelson M.D. Assessment Report

Title Page And Summary

Type of Report/Survey(s) Geological-Geochemical

Total Cost \$1178.00.

Author: M. A. Kaufman

Signature M. G. Kanfman

Date Statement of Exploration and Development Filed: May (Approval No. CBK 95-0500648-001-M57)

Property Name: Gus Claim Group

Commodities Present: gold, silver, lead, zinc, copper

B.C. Mineral Inventory Numbers: #19, 62, 257

Mining Division: Nelson NTS: Salmo 82F/3

Latitude: 49 degrees, 3 minutes; Longitude: 117 degrees, 14 minutes 30 seconds

Names and Numbers of all mineral tenures in good standing (when work was done) that form the property: Mineral Claims Gus 1 - 4 (324344-324347 incl.), Gus 5 - 9 (329946-

329950 incl.), Gus 10 - 11 (338100, 338101)

Owner: M. A. Kaufman

Mailing Address: M. A. Kaufman

P. O. Box 14336

Spokane, Wa. 99214, U.S.A.

Operator: As above.

RECEIVED GOVERNMENT AGENT NELSON **DEC 1 2** 1995 NOT AN UFFICIAL RECEIPT TRANS #_

Summary Geology: Most of the Gus Claim Group is covered by deep overburden with smaller areas of bedrock and shallow cover. The area is chiefly underlain by Lower Cambrian Laib Formation phyllites. Middle Cambrian Nelway Formation limestones and dolomites, and Middle Ordovician Active Formation argillites, limestones and slates. The property is traversed by the NE trending SE dipping Black Bluff Thrust Fault which has caused the section to be overturned. A package consisting of Older Laib sediments underlain by younger Nelway sediments overlies still younger Active Formation sediments. The contact between the Nelway

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Summary -2-

limey sediments and the underlying Active Formation argillitephyllite probably marks the trace of the thrust, but the thrust zone appears to be imbricate and complex.

Minor production of very high grade gold-silver ores has been taken from three old mines situated on the property, the Lone Silver, Davne and Lucky Strike. The Lone Silver production was from irregular shoots of brecciated Nelway Formation dolomite and from underlying Active Formation phyllite. The mineralized zones occur right on the Black Bluff Thrust, and are probably controlled by it. Both the Davne and Lucky Strike Mines are on NW striking, steep dipping, narrow fissure veins cutting "upper plate" formations, respectively Nelway silty lime and Laib phyllite. Though the two mines are .5 km apart, they may be controlled by the same fault. Between the Davne and Lucky Strike mines is a long narrow NE trending depression which on air photos appears to follow a strong fault. Immediately NE of the swamp is an area of altered Nelway limestone and siltstone within which a gold anomaly has been detected (the East Anomaly). It is probably controlled by NE fracturing following the trend of the postulated fault zone to the SW, and by NW fracturing which crosses this trend.

Exploration targets are thought to exist both along the trend of and under the Black Bluff Fault in the Lone Silver Mine Area. There is no record of any drilling having been done here. The linear swamp area SW of what is called "The East Anomaly" is another potential target area. Both of these targets might conceal high grade vein or replacement gold-silver deposits. In addition, there may be depth potential for extension of the small vein deposits under both the Davne and lucky Strike workings which has never been drilled.

References To Previous Work: Assessment Reports #23711, 23438, GSC Map 1145A, and company reports from Lacana-Corona and Orvana Minerals Corp.

M. A. Kaufman

Nov. 29, 1995

Gus Claim Group Assessment Report Nov. 30, 1995

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Geological/Geochemical Report Gus Claim Group, Nelson M.D.

INTRODUCTION

The Gus Claim Group (Gus 1-11), is located in the west Kootenays approximately 7.5 km NE of the Canada-USA Nelway border crossing. The west margin of the claim block is situated .5 km east of Rosebud Lake.

Access is by the Rosebud Lake road and thence by a rough 4x4 trail starting east of the SE part of Rosebud Lake and going ENE to the old Lone Silver Mine and beyond to an area which I call the "East Anomaly".

As the geology of the Gus Claims Area has been described in detail in previously submitted assessment reports #23438 and #23711, it will not be repeated herein. During 1995, the claim group was expanded by two new claims, Gus 10 and 11, which cover most of the old Lone Silver Mine workings. The 1995 work consisted of geological follow-up of the 1994 geochemical work, sampling of a new line to the north of the 1994 survey, surveying in of the Lone Silver workings in relation to the new claim lines, and geological examination of the two new claims.

For detailed geology and historical information, please refer to the two above mentioned assessment reports. This report will restrict itself to description of the 1995 work and findings.

Geological/Geochemical Report

East Geochemical Anomaly Area

Geological follow up on 1994 geochemical line 280N and reconnaissance to the north and northeast from here indicated that shallow cover or bedrock extended further N and NE than previously known. In the vicinity of soil sample 280N, 60E, which assayed 302 ppb Au, there are small outcrops of Nelway formation silty limestone, and this formation is exposed in scattered outcrops for about 200 metres further NE (see accompanying 1:5000 and 1:1000 geological and geochemical maps). It was previously thought that all of this area was overburden covered, and it was postulated that the trace of the Black Bluff Thrust crossed this area. It must be located further north. The high gold found at 280N, 60E as well as anomalous lead found in this area is likely related to mineralization along fractures in the altered silty lime, similar to the anomalies found to the south. At approximately 307 metres N and 7 metres W on the base line a small outcrop of what appears to be feldspar biotite gneiss was found. This is puzzling as no rock of this type is known to occur either in the Nelway or Active sections. Possibly it represents a some kind of intrusive, and possibly the gneissic lineation might be due to fault-caused stretching of mineral grains. But this can not be proven, and there is little evidence of shearing.

A new E-W geochemical line was sampled over 400 metres length at 380N (refer to 1:1000 map). Results indicate generally lower values than seen on line 280N with no anomalous gold.

Lone Silver Mine Area

Recorded production from the Lone Silver Mine occurred during the periods 1909 - 1915 and 1936 - 1941. The early production was recorded as 86 tons averaging .256 opt Au and 156.5 opt Ag, and the later production was 106 tons of .603 opt Au and 83.5 opt Ag. Old geological reports describe two types of ore; an upper brecciated dolomite which contained very high silver and lesser gold values associated with gray copper, PbS and ZnS ,and an underlying ore of high grade gold with lesser silver found in phyllite with narrow quartz veinlets containing mainly pyrite which conform to the phyllitic lineation. It is probable that most of the early production came from the upper dolomitic ore while the latter production was likely a mixture of both ore types.

The little outcrop found in the workings area has been mostly exposed by adits or open cuts. It is interesting that along the portal of adit #1 there is sheared, altered silty lime of the Nelway formation, while at the lower toe of the dump there is a relatively small amount of black phyllite which I believe represents the underlying but younger Active Formation. This unconformable contact is probably caused by the Black Bluff Thrust Fault. As there is no outcrop of Active phyllite in the mine area. I would guess that this formation was encountered in an internal winze or decline from adit #1. As mentioned in earlier reports, the Black Bluff Thrust, where it can be seen is marked by a thick zone of chaotic shearing and brecciation. Similar chaotic structure appears to characterize much of the Active Formation section which occurs between the Black Bluff and underlying Argillite Thrust, the trace of which can be found about 2.4 km N from the Lone Silver workings. A traverse of this section is afforded along the rough cut off road which goes to Rosebud Lake from the highway just south of the South Salmo River.

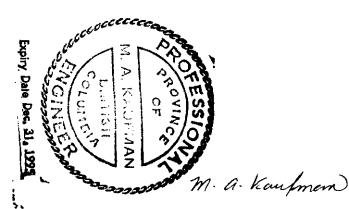
Because of caved workings and lack of outcrop, it is not possible to determine the exact controls of the Lone Silver mineralized zones. The few surface exposures appear to be irregular and erratically mineralized zones of brecciated dolomite, in places with siliceous cement. In all likelyhood the structural control is faulting associated with the Black Bluff Thrust. Perhaps there is a cross fault control as well, but there is no visible evidence for this. A number of rock samples taken by Lacana-Corona (locations shown on enclosed 1:500 map and results on assay sheet), most of which were from dumps, indicate frequently anomalous silver and sporadically anomalous gold over an area extending eastward from #5 adit for about 150 metres. Two NNW Corona soils lines run across the area spaced 100 metres apart were essentially nonanomalous even though they in places crossed mineralized rock. The most anomalous gold sample taken by Corona (1380ppb) was a panned con of sediment from drainage coming out of the lowest of the workings, #5 adit. Also, (in this same vicinity) a sample of Active Formation phyllite which I took from the toe of #1 adit dump (MK 95-14) assayed 367 ppb Au. I believe that these two samples are of some interest in that they are respectively the two highest gold assays taken from the area, and they are the only samples which represent the lowest Lone Silver workings which exploited the "lower plate" Active Formation. (I believe that all of the other Corona samples were of "upper plate" dolomitic rock). It is noteworthy that the phyllite sampled from the dump appears to be just ordinary phyllite, the same as might be observed in any

road cut in the area which exposes this formation. There is no readily identifiable alteration which would encourage a person of sound mind to assay it. There are, occasional, thin carbonate or quartz veinlets with very minor fe/ox and traces of pyrite, but such veinlets are not uncommon in this section.

Discussion

The 1995 work in the northern portion of the "East Geochem. Anomaly" does not encourage further work here. It was hoped that the Black Bluff fault might be found at relatively shallow depth in this area, but the geochem. results on line 380N along with the discovery of the barren gneissic rock at 307N were quite negative. A viable target does exist under the linear swamp south of the southern portion of the east anomaly as discussed in Assessment Reports * 23438 and 23711.

The erratic gold-silver anomaly seen in outcrops around the Lone Silver workings warrants further attention. Similar high grade ore as was produced in the past might occur down dip (to the south) along the Black Bluff Thrust, and could possibly extend further along strike of the fault. The production of high grade gold from the "lower plate" Active Formation phyllite is particularly interesting to me. As the last mining took place during the 1930s, the operators would have only pursued ore thought to have been obviously very high grade. As can be seen in the #5 dump, significantly anomalous phyllite just looks like ordinary rock. This must have discouraged more recent miners from testing the property. Possibly, there could be a sizeable body or bodies of reasonably good grade gold hidden in this formation, none of which is exposed at surface. Moreover, there is good evidence of imbricate thrusting in the Active Formation section between the Black Bluff and Argillite Thrust Faults. Perhaps other mineralized zones might exist at depth under the Lone Silver area.



M. A. Kaufman

Nov. 29, 1995

Statement Of Costs

M. A. Kaufman: 1 day field geology, 1/2 day map and report prep. total 1 1/2 days	\$450.00 U.S.
Wayne Reich: 7 hours drafting	\$98.00 U.S.
M. A. Kaufman vehicle usage, 50 miles at .30/mile	\$15.00 U.S.
Degerstrom Assay Lab	- \$16.75 U.S.
Sub Total	\$579.75 U.S.
Convert to Canadian Funds \$579.75x 1.3	\$753.00 CDN
Doug Murray: 1 day geochem sampling and surveying workings	\$160.00 CDN
M. A. Kaufman motel and meals	\$60.00 CDN
Min-En Labs assays	\$205.50 CDN
Grand Total	- \$1178.00 CDN

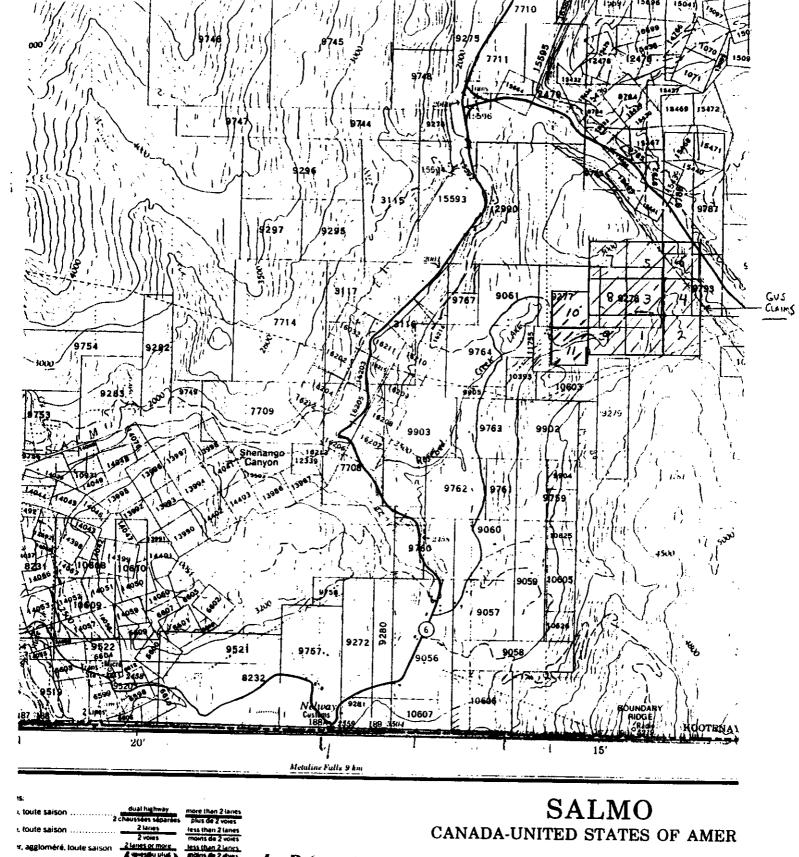
Authors Qualifications

I, M. A. Kaufman hereby state that I have worked as a mining geologist and mining engineer for 38 years.

I received an A.B. degree in geology from Dartmouth College in 1955, and an M.S. degree in geology and mining engineering from The University of Minnesota in 1957.

I am currently registered as a Professional Engineer in the province of British Columbia.

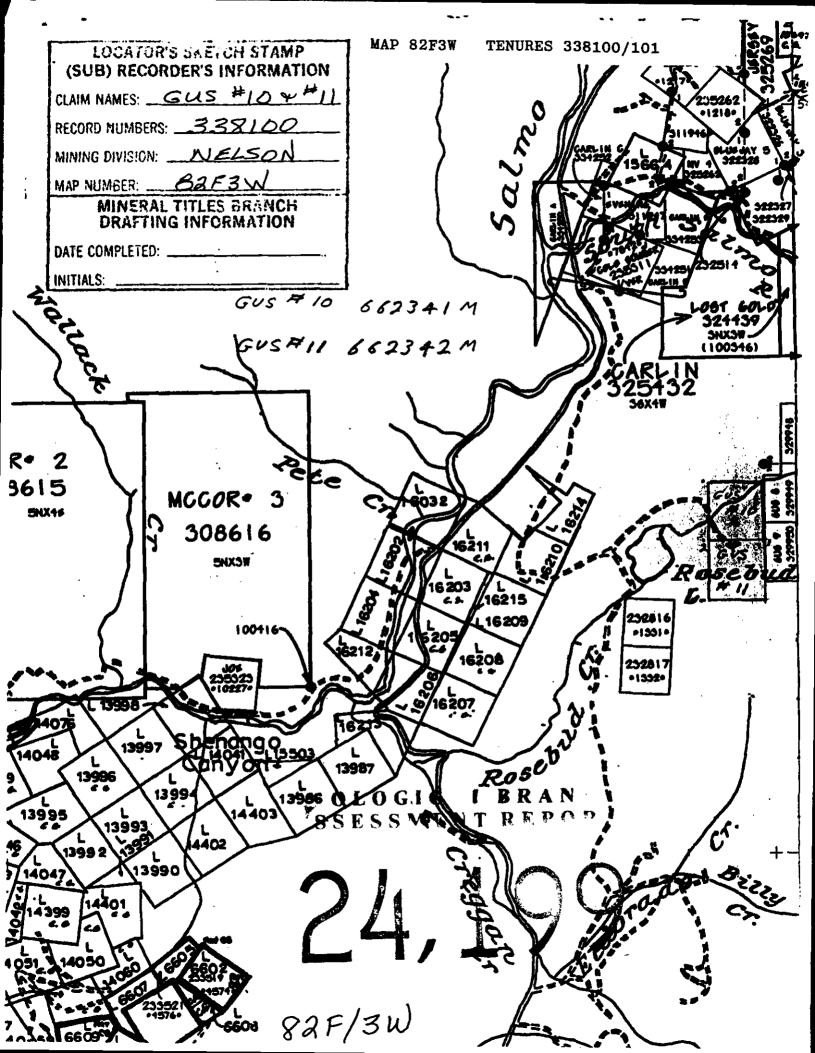
From the period 1955 - 1965 I worked for the major companies, Kennecott, Giant Yellowknife (Falconbridge), Kerr-McGee, and Hunting Survey Corp. Ltd. I then worked on my own as a consultant and contractor, mainly for major companies. From 1969 through 1988, I was a principal of the consulting and contracting firm of Knox, Kaufman, Inc. From 1989 to present I have worked as an independent consultant and prospector.





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GUS CLAIM GROUP LOCATION MAP



COMP: D.V.CO

PROJ:

MIN-EN LABS — ICP REPORT

8282 SHERBROOKE ST., VANCOUVER, B.C. V5X 4E8

ATTN: M.A.KAUFMAN

TEL:(604)327-3436 FAX:(604)327-3423

FILE NO: 5V-0315-SJ1 DATE: 95/08/15 * soil * (ACT:F31)

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Date Received: 10/10/95

Date Reported: 10/12/95

M. A. Kaufman Project Name: .

Job#: _

P.O. Box 14336

Spokane, WA 99214 REPORT OF ASSAY

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Michael E. Coleman, Lab Manager

DATE AUG 5 18 95

M.A. KAUFMAN PO. BOX 14336

SPOKANE WASHINGTON 99214

GUS CLAIM

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Wayne M. Reich
W 218 16th Ave
Spokane, WA 99203
624-5561
Drafting services rendere

Drafting services rendered on the GUS Claim Group

7 hours at \$14.00 per hour

Total \$98.00

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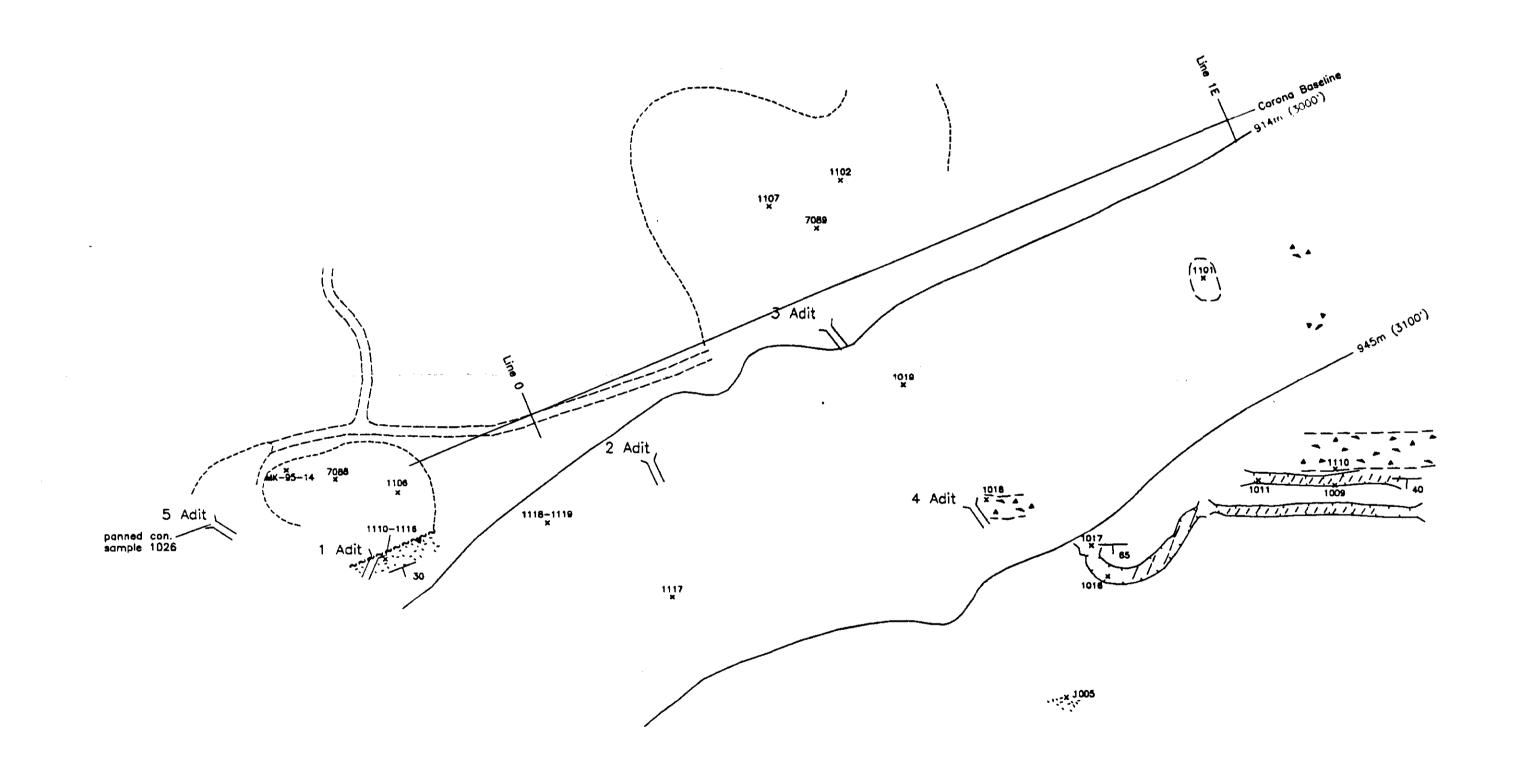
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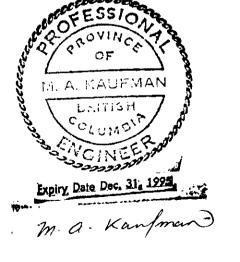
REFER TO GUS CLAIM GROUP 1:500 MAP

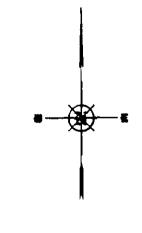
LONE SILVER (LACHNA) ROCK SAMPLES.

J M. A. KAUFMAN SAMPLE

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LEGEND

Dolomitic or abundant remobilized carbonate.

1//// Light gray snaley or silty sheared (pnyllitic), in general E—W direction, dip steep south; probably with beading.

Shearing related to Black Bluff Thrust Fault, showing dip direction.

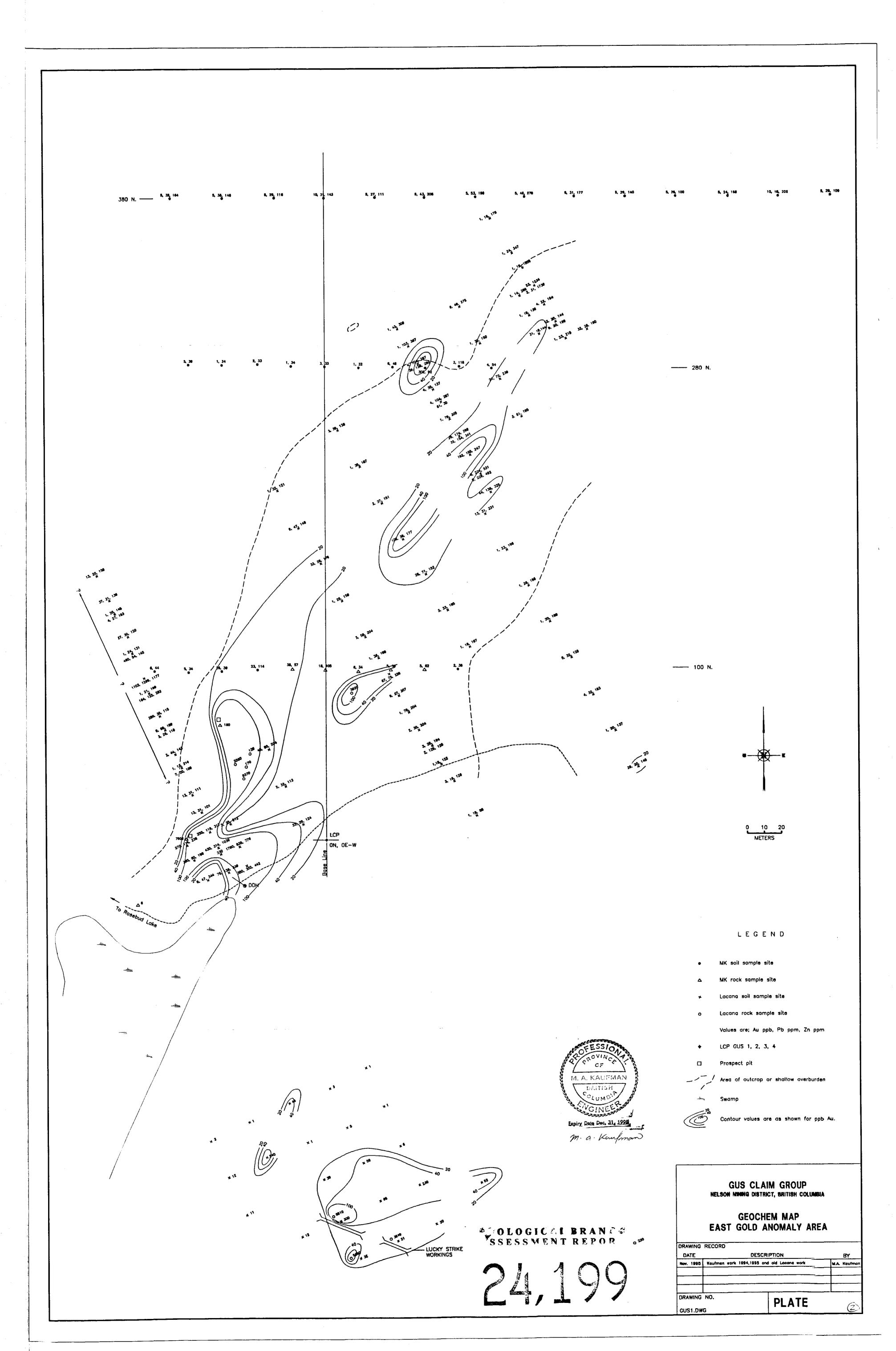
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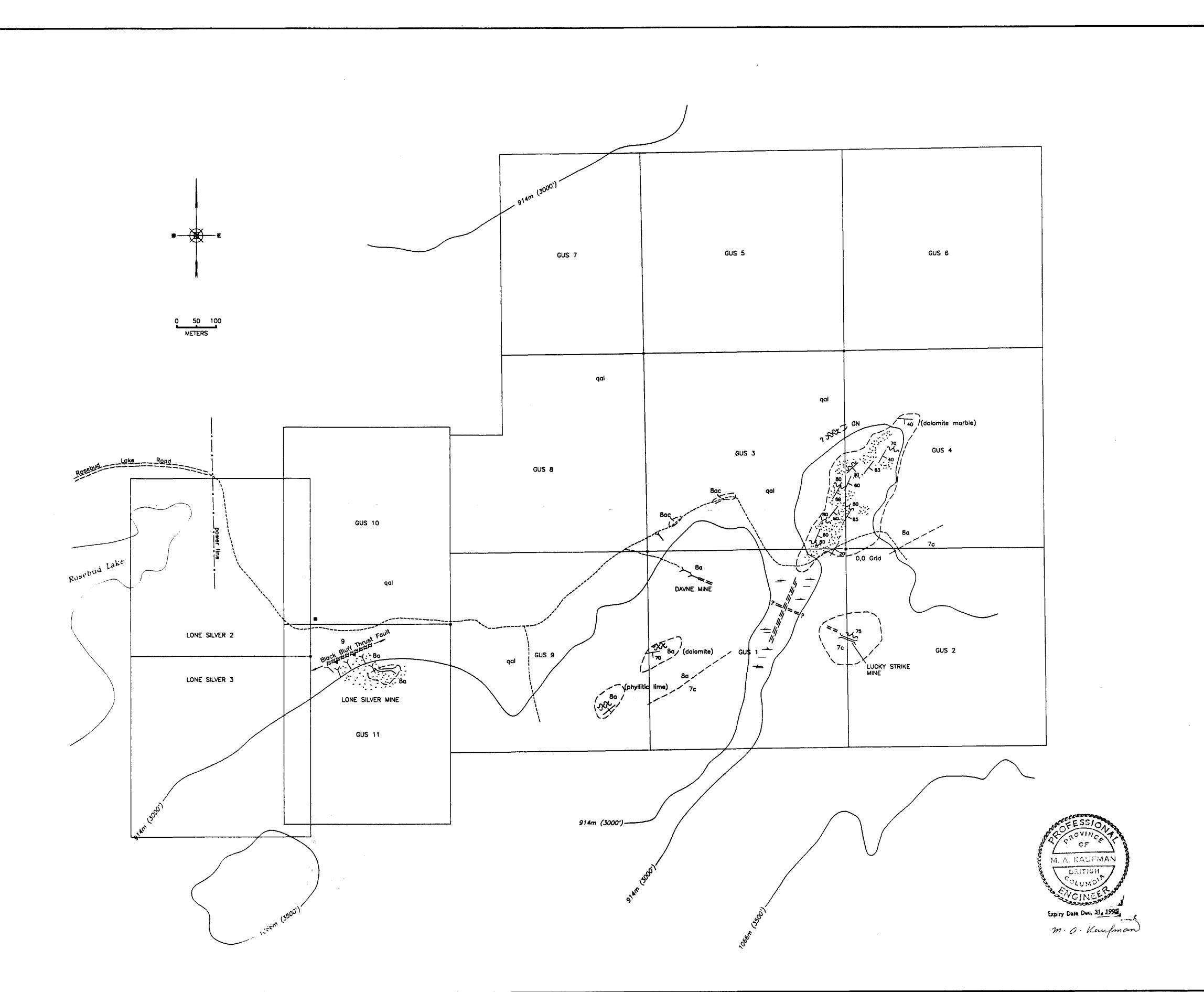
GUS CLAIM GROUP NELSON MANNG DISTRICT, SINTISH COLUMNIA

LONE SILVER MINE AREA

DRAWING RECORD

DRAWING GUS2.DW		PLATE		1
	Base map after Corona Corp.	. Jan., 1989		
Nov. 1995	Mapping and completion		MA	Kautme
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LEGEND

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GUS CLAIM GROUP NELSON MINING DISTRICT, BRITISH COLUMBIA

GEOLOGIC MAP

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DATE	DESCRIPTION			BY	
Nov. 1995	Mapping and compilation Reference: QSC Map 1145A			MA	Kaulman
DRAWING	NO.		PLATE		(3)