

MINERAL TITLES BRANCH
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VANCOUVER, B.C.

**ASSESSMENT REPORT
PROSPECTING PROGRAM**

CRUZ PROPERTY

**Cruz 27 to 32, 34 to 38 and 40 to 48 Claims
FORT STEELE MINING DIVISION**

N.T.S. MAPSHEET 82G/4W

Latitude 49° 12' N

Longitude 115° 50' W

Work Performed from September 1 to 30, 1998

**OWNER
CHAPLEAU RESOURCES LTD.
Suite 104 - 135 - 10th Ave. S.,
Cranbrook, B.C.**

**REPORT ON BEHALF OF
ASCOT RESOURCES LTD.
#1300 - 409 Granville St.,
Vancouver, B.C.**

**REPORT BY
Craig Kennedy
Prospector
2290 DeWolfe Ave.
Kimberley, B.C.**

**GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT**

January, 1999

25,822

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PROSPECTING ASSESSMENT REPORT

CRUZ Property

Fort Steele Mining Division

1.00 INTRODUCTION

1.10 Location and Access

The Cruz property is located 60 km due south of the Sullivan Mine, Kimberley, B.C.

Access to the property's west and north boundaries is by Highway 3/95. A system of new and old logging roads service the property's interior regions.

1.20 Property Description

The Cruz property consists of 140 Cruz claims and 48 Stone claims totalling 106.25 sq. km. The property is owned 100% by Chapleau Resources Ltd. and held under an option agreement with Ascot Resources Ltd. of Vancouver, B.C.

1.30 Scope of Present Work

The objective of the 1998 prospecting program was to initiate exploration follow-up for previous geologic and geochemical work. Geological mapping in this area has been completed by private companies and the Provincial Government.

2.00 PROSPECTING REPORT

The Cruz claims overlay an area dominated by the regionally significant Moyie Anticline. A major northeast striking structural zone is postulated to be the host for the Moyie Anticline hinge area. The trace of this broad feature was the priority area prospected during the 1998 exploration program. Thick forest, under story and ground cover inhibit work activity on most of the Cruz claim area. Limited exposures of bedrock can be seen throughout the whole of the property.

Six major features of interest exist on the adjoining the Cruz claim block:

- 1) Fragmental package;
- 2) Tourmaline alteration;
- 3) Black silicified quartzite;
- 4) Iron gossans;
- 5) Base metal mineralization;
- 6) Intrusives.

1) Fragmental Package

The fragmental package can be seen on traverse Routes #1 and #2. It's located adjacent to and on the northern portion of the Cruz claims. Poor exposure does not allow for good examination of the package but what can be seen does indicate the potential for a large occurrence. The fragmental sequence seems to be both stratabound and crosscutting, both east and west edges

give the impression of being structurally controlled. The stratabound units occupy a 125 m wide zone and have a indicated width in excess of 40 m. This package exists between a large southeast trending draw on the West and the disappearance of outcrop exposures on the east. The terminated eastern edge correspond with an abundance of small quartz vein float. This material may represent a buried structure.

Fragmental clast size and shape are varied. Large elliptical and rounded clasts the size of golf balls can be seen on the western edge of the zone. The middle and eastern edge have an abundance of ragged and angular clasts. These clasts are fairly uniform in size, not much larger than a square cm. Amongst this package you do see zones with mixed in, rounded, clasts. Of significance is the fact that small pieces of fragmental float can be found 150 m up slope from the last outcrop exposure. This again provides more evidence of a crosscutting feature on the western edge of the package.

2) Tourmaline Alteration

Tourmaline alteration was noted in outcrop in one area, this alteration was associated with the fragmental sequence. Pieces of tourmaline rich float were seen in three other areas. This float occurs in the following area. Route #4, a few pieces of black tourmaline in Stoney creek, in the creek bed. Route #2 above the fragmental outcrop along the edge of a south east trending draw, two pieces of black fragmental tourmaline were noted here. Route #2, slightly north of the property small chips and pieces originated along the edge of the Alberta Natural Gas pipeline right-of-way. These small black pieces have their source in a thin bedded rock unit which was ripped during pipeline construction.

The tourmalinization within the fragmental complex is found throughout the sequence. The majority of tourmaline noted was tourmaline needles. These were present in two environments, as strataform narrow beds and as disseminations in interbeds of quartzite, siltstone and mudstone. Sulphide noted in these zones was pyrrhotite with very rare arsenopyrite. Replacement tourmalinization occurs on both edges, east and west of the fragmental package. These zones are narrow and appear discontinuous but seem definitely controlled by structure. The zone on the east is associated with fractures and narrow quartz veins. The quartz veins strike both northeast and northwest. The silicified fragmental and quartzite which encloses the tourmaline has abundant pyrrhotite, pyrite with rare arsenopyrite, chalcopyrite and native copper. The zone on the west has a brecciated texture with some very strong limonite cementing. Here the prominent sulphide is pyrrhotite with rare arsenopyrite and chalcopyrite.

3) Black Silicified Quartzite

Narrow black silicified quartzite beds within medium bedded siltstone, quartzite sequences. This type of alteration was seen in two areas, north a slight distance from the claim boundary and a short distance north and east of a major ferricrete occurrence. The first zone is on Route #1 and is a series of narrow discontinuous zones which can be seen in a logging road cut. The second is on Route #4 and is a poorly exposed outcrop in a small creek bed. The significance of this type of alteration is that it is often seen in close association with tourmaline alteration. The zone north

and east of the upper gossan is very interesting as it may provide a clue to the structural control for the ferricrete. The only sulphide noted within these lenses are clots and disseminations of pyrrhotite. This pyrrhotite is often accompanied by small light pink garnets.

4) Iron Gossans

There are two known gossan areas encountered on or adjacent to the property. The upper gossan on Route #4 is an exposed 40 m long X 25 m wide zone. This zone contains some massive ferricrete wad. Poor bedrock exposure in the area does not allow for recognition of a source for this accumulating iron. The assumption is that this material is being transported some distance.

The gossan zone on Route #2 north of the claim block and at the base of slope can be seen intermittently across a distance of 200 m. The gossan is recognized as a strong orange-red overburden with some narrow zones of strong limonite cementing. Of interest here is some narrow zones containing abundant quartz vein float. This material is obviously sourced from narrow veins, the significance being that the veins may be part of a structural zone. This in turn may indicate that the gossan is associated with structure. Of further significance is the fact that this zone is downslope from the previous mentioned fragmental package.

5) Base Metal Mineralization

Base metal mineralization in outcrop was seen in two areas. The fragmental complex on Routes #1 and #2 have zones with disseminated pyrrhotite, pyrite and arsenopyrite. Usually these increases in sulphide are accompanied by tourmaline alteration. Within the zone of tourmaline alteration and sulphide increase you find disseminations of chalcopyrite and on Route #1 some disseminations of native copper. Up slope from the fragmental complex on Route #1 a limited exposure with some disseminated sphalerite and galena was seen. This mineralization was associated with narrow fractures in fine grain quartzite. Due to the lack of outcrop no determination could be made as to whether this is a isolated outcrop or part of something more extensive. This fracture mineralization is possibly related to structural features which control tourmaline alteration within the fragmental package or the fragmental itself.

Float with disseminated PbS and ZnS mineralization was seen in three areas. There were a few pieces seen around the area of fracture mineralization on Route #1. Two pieces of float were seen on Route #4 in the Stoney Creek bed. These were altered quartzite chunks with rare sphalerite or galena along narrow silicified fractures. On Route #3 a number of small angular pieces of silicified fine grain quartzite contained rare sphalerite with pyrrhotite and chlorite.

6) Intrusive

On all traverses only one outcrop of gabbro was noted. This outcrop occurs on Route #4. This limited exposure indicates a body in excess of 20 m. The gabbro is fine to moderate grain and non-magnetic. Contacts are covered so no determination could be made as to whether this is a narrow sill or dyke. If it is a dyke it could prove to be an important structural indicator.

3.00 CONCLUSION

There could most certainly be a link between the upper gossan, fragmental package and lower gossan. This perceived link could be the hanging wall expression of an ancient structural zone which now hosts the Moyie Anticline fold zone. The iron ferricrete is a indicator of transported iron rich solution. This material could be related to a large iron rich body at depth. Tourmaline alteration, arsenopyrite, and the weak but evident base metal fracture mineralization make this a high value exploration target.

4.00 EXPENDITURE SUMMARY

PROSPECTING CONTRACTORS

The Kennedy Group, Kimberley, B.C.

7 days @ \$600/day	\$ 4,200
- prospecting	
1 day @ \$200/day	200
- report writing	
Transportation	350

REPORT TYPING & ASSEMBLY	<u>100</u>
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TOTAL EXPENDITURES =	\$ 4,850
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Craig Kennedy
Craig Kennedy

AUTHOR'S QUALIFICATIONS

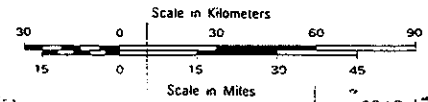
As the Author of this report I, Craig Kennedy, certify that:

1. I am an independent Prospector residing at 2290 DeWolfe Avenue, Kimberley, B.C.
2. I have been actively prospecting in the East Kootenay District of B.C. for the past 24 years, and have made my living by prospecting for the past 10 years.
3. I have been employed at a professional prospector by major and junior mineral exploration companies.
4. I own and maintain mineral claims in B.C. and have optioned numerous claims to various exploration companies.

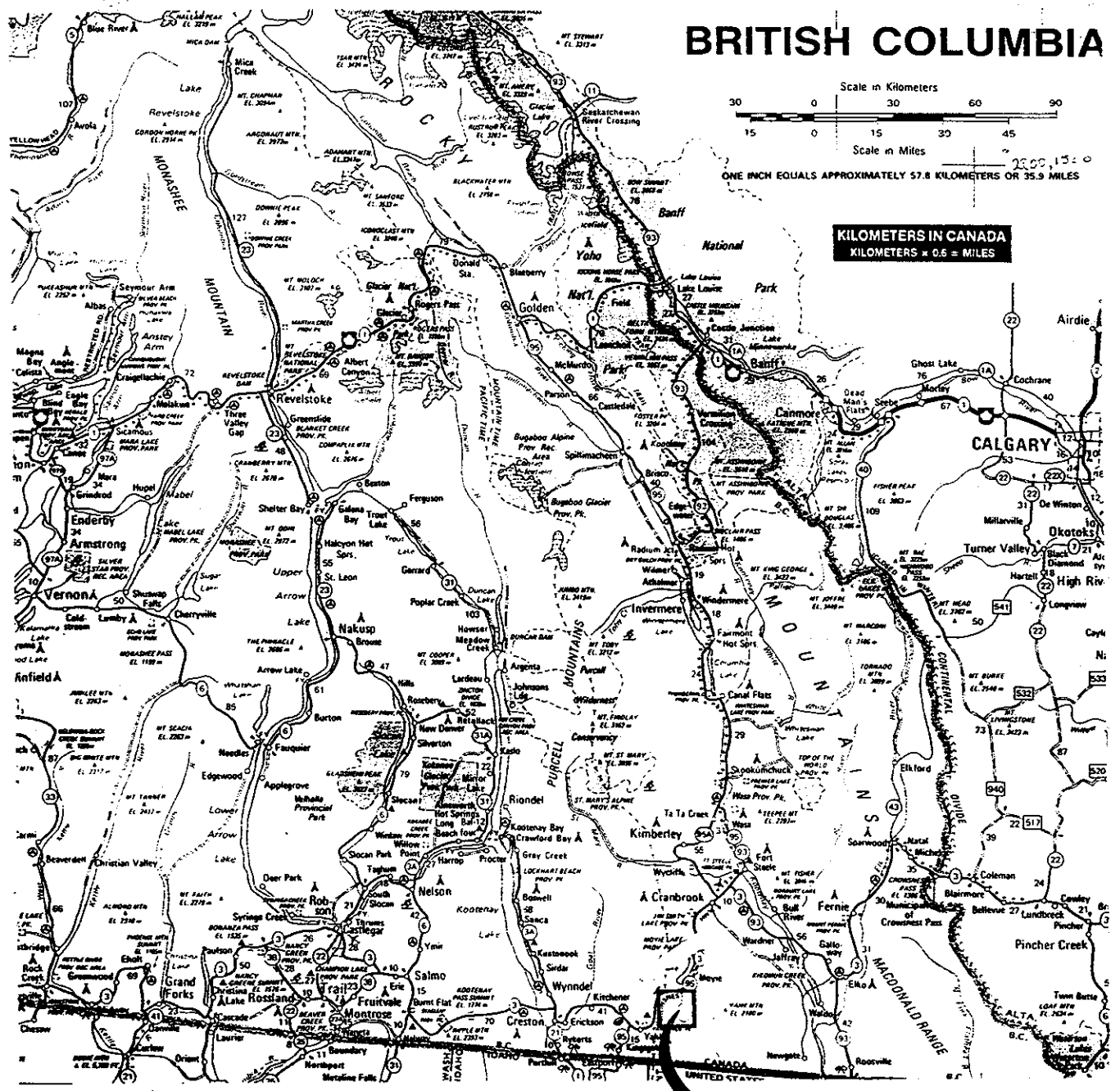
Craig Kennedy

Craig Kennedy
Prospector

BRITISH COLUMBIA



KILOMETERS IN CANADA
KILOMETERS x 0.6 = MILES



CRUZ PROPERTY



CRUZ PROPERTY

INDEX MAP

Scale: as shown

Date: Oct. 1998

Plate: Fig. 1

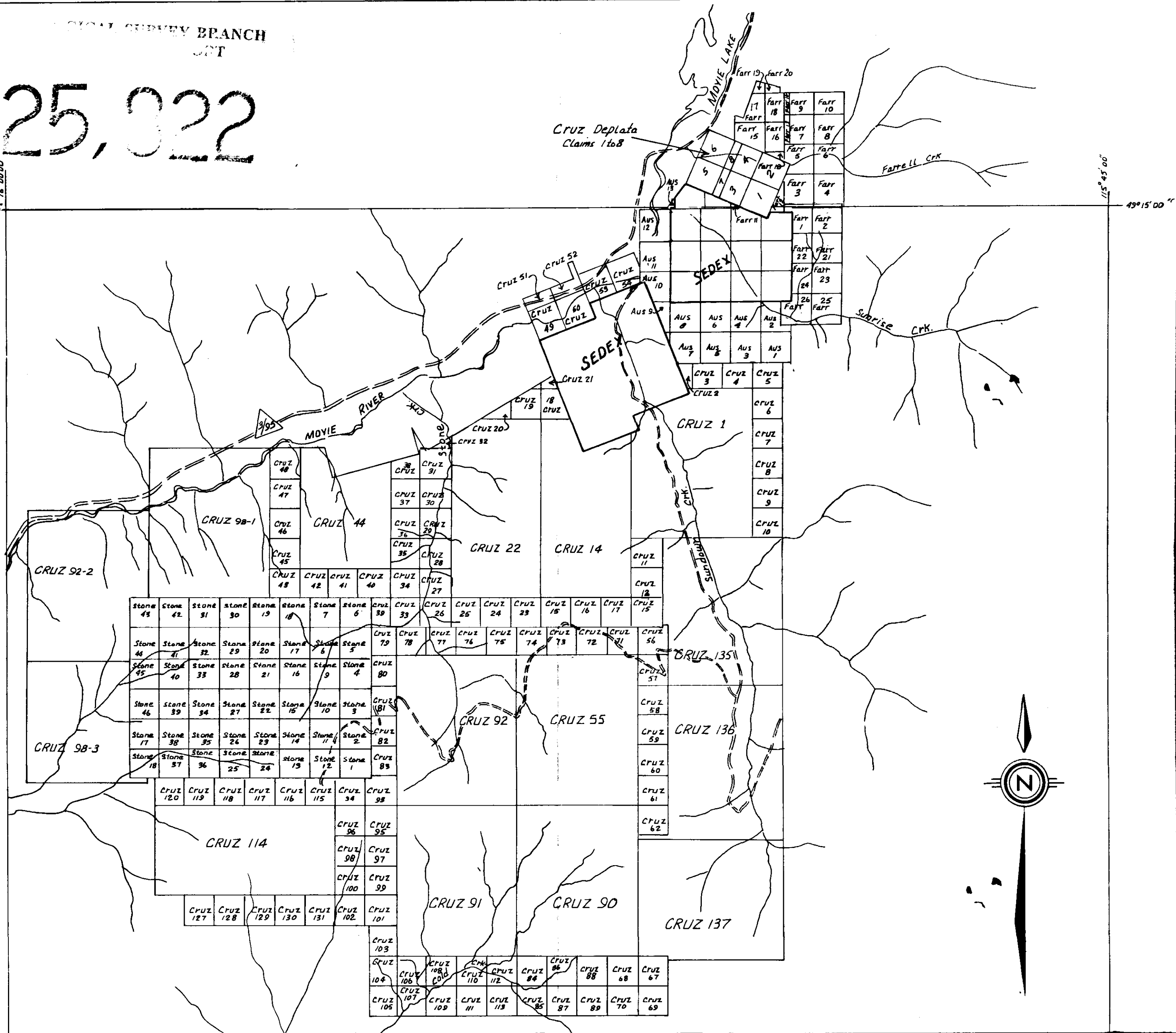
25,322

49°15'00"

115°45'00"

49°15'00"

CRUZ Deplata
Claims 1 to 8



0 1 2 3 KM
SCALE 1:50,000

CRUZ PROPERTY

CLAIM MAP

DRAWN BY:
D.L. PIGHIN

DATE:
OCT. 1998

MAP REF: 82G05W, 82G04W