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SOUTH OF FERNIE, BRITISH COLUMBIA (FORT STEELE MINING DIVISION)

CLAIMS COMM 1 to 4

Geographic Co-ordinates 49° 11' N 114° 21' W NTS Sheet 82 G/1 W

Owner of Claims: Comm 1 to Comm 4 Peter Kleespies 11 Mural Crescent St Albert, AB, T8W 1J8 Commerce Resources Corp. Operator: 600 - 789 West Pender Street Vancouver, B.C., V6C 1H2 Dahrouge Geological Consulting Ltd. Consultant: 18, 10509 - 81 Avenue, CEOLOGICAL SURVEY BRANCH T. Faragher, B.Sc. and J. Dahrouge, P.Geol. Authors: 2000 06 22 Date Submitted:

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#### INTRODUCTION

The Comm Property is located in Flathead River Valley of southeastern British Columbia, about 60 km southeast of the Town of Fernie. The claims were staked to cover Proterozoic sedimentary and volcanic rocks and associated alkalic intrusives on Sunkist Ridge. Previous exploration in the vicinity of the Comm claims identified several styles of mineralization including stratabound sedimentary copper-silver, intrusive related gold (syenite and intrusive breccia) and mineralized quartz-carbonate veins.

During December, 1999, Geoterrex-Dighem completed a high-resolution heliborne magnetic/resistivity/electromagnetic geophysical survey totaling 131.1 line kilometers. Interpretation of airborne data identified a strong northerly trending magnetic linear, multiple small circular to oblate magnetic highs coincident with resistivity lows, and a large circular magnetic anomaly coincident with weak conductive electromagnetic anomalies.

#### 1.1 GEOGRAPHIC SETTING

#### 1.1.1 Location and Access

The Comm Property is within Clark Range of Rocky Mountains in southeast British Columbia. The property is about 60 km southeast of Fernie, about 20 km north of the Montana border, and adjacent to the Alberta border. It is within National Topographic System (NTS) map area 82 G/1 W and centered about 49<sup>o</sup> 11' north latitude and 114<sup>o</sup> 21' west longitude (Fig. 1.1).

Access to the property is via a gravel logging road which branches off Provincial Highway 3 about 6 km east of the Town of Natal and extends southeast along Flathead River to the International Border (Corbin Road). Alternately, an all-weather gravel logging road branches off Highway 3 south of Fernie, along Bighorn Creek Valley and joins Corbin Road 15 km southwest of the property. A dry-weather gravel road spurs easterly from Corbin Road along Sage Creek from which an old mining trail provides 4 wheel drive or ATV access along Roche Creek to the center of the property. Remote areas of the property are accessible either by ATV, foot, or at higher elevations by helicopter.

#### 1.1.2 Topography, Vegetation, and Climate

The claims are within Clark Range immediately east of Flathead River Valley. They are within an area of rugged mountains with elevations greater than 2,500 m above sea level (a.s.l.); elevations along valley bottoms are about 1,200 m a.s.l. Much of the area is characterized by broad river valleys edged by moderate slopes leading upward to steep cliffed mountain tops.

Most of the lower parts of the mountain slopes are heavily timbered with spruce, pine, and lesser deciduous varieties. Treeline is at an elevation of about 1,800 m. In the subalpine zone, vegetation consists of a sparse cover of stunted spruce and pine, and above timberline of alpine shrubs and foliage.

Climate is alpine with average summer temperatures of 20° to 25° C and average winter temperatures of -10° to -15° C. Rainfall averages about 120 cm per year with maximum snowfall in November and December which averages 150 to 165 cm.

#### 1.2 PROPERTY

The Comm Property consists of four contiguous mineral claims which cover 20  $km^2$  within the Fort Steele Mining Division (Fig. 1.2). Comm 1 to 4 are four-post mineral claims which total 80 units and are registered in the name of Kleespies, Peter (Table 1.1). The property is held under option by Commerce Resources Corp.

Claim Name	Tenure Number	Units/Claim	Record Date	Actual or Expected Expiry Date
Comm 1	368361	20	April 2, 1999	April 2, 2004
Comm 2	368362	20	April 2, 1999	April 2, 2004
Comm 3	368363	20	April 2, 1999	April 2, 2004
Comm 4	368364	<u>20</u> 80	April 2, 1999	April 2, 2004

TABLE 1.1 LIST OF MINERAL CLAIMS

# 1.3 HISTORY AND PREVIOUS INVESTIGATIONS

Active oil seeps in the Sage Creek watershed attracted the earliest exploration activity in Flathead Valley. In the early part of the century several companies drilled shallow wells in their vicinity and more recently Shell Canada Resources has been exploring the Flathead Valley for oil and carbon dioxide reservoirs. Shell's exploration model depicts volcanic intrusions liberating large volumes of  $CO_2$  from carbonate rocks. During the 1990's Shell completed seismic surveys and test wells in the area.

Coal has been known to occur in Flathead Valley for many years. Early exploration occurred around the abandoned village of Flathead about 15 km north of the Comm Property. More recent exploration activity by the Sage Creek Coal Consortium has occurred south of the property within the Cabin Creek watershed. Fording Coal Ltd. has completed several exploration drill holes within the upper Flathead Valley. Concentrated exploration for base and precious metals in Clark Range of British Columbia and Alberta was initiated in the late 1960's, prior to that time only scattered reports of copper mineralization had been made.

Although the area has had relatively little exploration activity with regards to metallic mineral exploration, the area around Commerce Peak was identified as having potential for stratiform copper-silver mineralization and the ground was staked by Kennco Explorations (Western) Limited (Kennco) in 1967. Exploration including prospecting, mapping, rock sampling, and diamond drilling encountered chalcocitebornite mineralization (0.05% Cu, 0.34 g Ag/t across 12 m in drill core) confined to guartzite beds in the upper Grinnell Formation and bornite-chalcocite mineralization in Purcell diorite sills (2.40% Cu, 29.5 g Ag/t across 2.4 m in drill core; Stevenson, 1968). Falconbridge Nickel Mines Ltd. optioned a portion of the property and carried out limited exploration in 1969 and 1970. Kintla Explorations Ltd. (Kintla) carried out exploration in the area of Commerce Peak between 1972 to 1974 which included geochemical sampling, geologic mapping, trenching, and diamond drilling on several showings. Kintla encountered copper mineralization present as chalcopyrite, bornite, chalcocite, and minor covellite in specific Grinnell Formation quartzite beds. On the north flank of Commerce Peak Kintla defined an indicated reserve of 125,000 tons at 1.25% Cu plus 8.57 to 17.14 g Ag/t (Northern Miner, 1974). In addition, Goble (1984) reports sporadic Au - Ag mineralization (up to 131.66 g Au/t) in sulphide rich diorite and syenite intrusives and breccias from near Commerce Peak.

#### 1.4 PURPOSE OF SURVEY

The work described in this report was undertaken to provide geophysical information on the bedrock within the Comm Property. The aeromagnetic survey provided data for recognition of magnetic bodies and localized conductors and/or resistivity changes which reflect lithology, structure, and alteration/mineralization in the bedrock.

#### 1.5 SUMMARY OF WORK

Between December 16 and 20, 1999 Geoterrex-Dighem of Mississauga, Ontario flew a low level magnetic/resistivity/electromagnetic survey over the Comm Property. The data collected was leveled, processed, and reviewed. Total magnetic field contour and vertical gradient data were examined for areas of high magnetic intensity, contrasting zones, and offsets or breaks in magnetic trends. Electromagnetic

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conductance and resistivity data were examined for bedrock conductive zones and areas of low resistance; caution interpreting EM data in areas of strong topographic relief was required for anomalies caused by turbulence from rapid altitude changes encountered while flying the survey.

To assist in the interpretation, digital contour maps were produced for total magnetic field, calculated vertical magnetic gradient, apparent resistivity for 7,200 and 56,000 Hz coplanar, and one displaying conductance of electromagnetic anomalies (Fig's. 4.1 to 4.5).

#### 1.6 FIELD OPERATIONS

The airborne geophysical survey was based out of Fernie, B.C., totaled 131.1 line-km's, and was flown by helicopter at 57 m terrain clearance along east-west trending traverse lines spaced at 200 m intervals. The average airspeed was 67 km/h with the electromagnetic sensor towed 30 m above ground.

### 2. REGIONAL GEOLOGY

The region is underlain by a series of Precambrian sedimentary rocks of the Belt-Purcell Series and Palaeozoic to Mesozoic marine sediments of the Lewis Thrust Sheet. The Lewis Thrust carried the Precambrian rocks, which now constitute a portion of Clark Range, eastward between 7½ to 9 km and superimposed them on younger Palaeozoic and Mesozoic strata. Regionally, the Lewis Thrust Sheet forms a broad synclinorium within which Precambrian sediments form the Akamina Syncline. The Akamina Syncline is a broad northwest trending structure approximately 30 km wide by 65 km long and is truncated along its western edge by Flathead Fault. Flathead Fault is a major southwest dipping normal fault which has dropped strata on its west side by more than 6,000 m.

Price (1962) shows bedrock geology in the area of the Comm Property to consist dominantly of Precambrian strata which include the Waterton, Altyn, Appekunny, Grinnell, Siyeh, Purcell, Sheppard, Gateway, Phillips, and Roosville formations. A series of Proterozoic diabasic to dioritic sills and dykes intrude rocks of the Siyeh and Sheppard formations. Cretaceous and/or Tertiary aged dykes and anastomosing stock-like masses of trachyte, syenite, and intrusion breccias intrude the Proterozoic succession. A summary of the regional stratigraphy is provided in Table 2.1.

# TABLE OF FORMATIONS

Region Formation		Formation	Lithology	Thickness
ខ្មុ	Epoch			(m)
		Rocky Mountain	Marine sandstone, dolomite, chert, shale, siltstone	0-455
	Mississippian	Etherington	Marine limestone, dolomite, shale, siltstone, anhydrite	60-260
		Mount Head	Marine limestone, dolomite, dolomite and limestone breccias	120-305
0		Livingstone	Marine limestone, cherty limestone, dolomite	245-425
i.		Banff	Marine limestone, cherty limestone, shale, chert	180-320
Paleoz		Eyshaw	Marine shale	2-12
		Palliser	Marine limestone, dolomite	200-220
		Alevo	Marine limestone, dolomite, siltstone, sandstone	6-150
	Devonian	Fairholme	Marine limestone, argillaceous limestone, shale, dolomite	290-455
	Cambrian	Elko	Marine dolomite, dolomitic limestone	85-215
		Flathead	Marine sandstone, conglomeratic sandstone	7-45
	Purcell	Roosville	Green argillite, siltstone, sandstone, stromatolitic	1070+
		Phillins	Red sandstone, siltstone, argillite	150-215
		Gateway	Argillite, argillaceous siltstone, dolomite, sandstone	350-915
rian		Sheppard	Quartzitic and dolomitic sandstone, dolomite, aroillite, siltstone, pillowed andesite	45-275
ambr		Purcell	Chloritized andesite, amygdaloidal andesite flows, pillowed andesite	0-180
ĕ		Siveh	Limestone, dolomite, argillite	345-915
ā		Grinnell	Red argillite, sandstone, siltstone	110-520
		Annekunny	Argillite, sandstone, siltstone	455-610
			Argillaceous limestone and dolomite, argillite	150-1 220
		Waterton	Limestone and dolomite, argillite, argillaceous dolomite	455+

### 3.

# PROPERTY GEOLOGY

The geology of the Comm Property is known from reconnaissance scale government mappings (see Section 2). It is underlain by Precambrian sedimentary rocks of the Grinnell, Siyeh, Sheppard, and Gateway formations and andesitic volcanics of the Purcell Formation (Fig. 3.1). Detailed geological maps of the property are unavailable.

The Commerce Peak area is host to three types of mineralization including:

- copper-silver as chalcopyrite-bornite-chalcocite disseminations within quartzites of the Grinnell Formation;
- gold with lesser amounts of silver associated with contact related sulphide concentrations at margins of syenite and/or diorite sills;
- veinlets of quartz-carbonate crosscut the Grinnell and Siyeh formations and host local concentrations of copper sulphides.

Copper may assay up to 0.2 to 0.3 per cent locally with silver in the 1 to 10 g/t range within thin 1 to 5 cm thick Grinnell Formation quartzite horizons. Although gold values as high as 34.28 g/t associated with syenitic intrusives have been reported, anomalous values are usually 1 g Au/t or less. Quartz-carbonate veinlets 3 to 5 cm wide have assayed up to 1 to 3 per cent copper (B.C. Min. Energy, Mines, Petr. Res. MINFILE Commerce 3, 4, 8, and TRI 37 showings). MINFILE showings Commerce 3, 4, 8, and TRI 37 are within the property boundaries (Fig. 3.1).

4.

#### AIRBORNE GEOPHYSICAL SURVEY

The Comm Property is characterized by complex and high-gradient total magnetic field contours with a dynamic range exceeding 950 nT. The most prominent feature is a northerly trending magnetic linear crossing the center of the property. It is about 500 to 900 m wide and has a strong gradient up to 800 nT over a distance of about 150 m on its west side. The magnetic linear separates a weak magnetic background to the east from a strong magnetic background to the west, is coincident with a resistive to weakly conductive zone, and probably represents a lithologic and/or structural contact between Siyeh Formation limestone to the west and Purcell volcanics to the east (Fig. 4.1).

West of the magnetic linear, several circular to oblate magnetic highs exist within a broad magnetic anomaly. The anomalies are up to 120 nT in amplitude, range from 200 to 350 m in diameter, and are interpreted as near vertical intrusive plugs sourced 100 to 125 m below surface; extreme topographic relief in the area may affect the depth to source estimate. Several of the circular magnetic highs are coincident with resistivity lows and weak electromagnetic conductors which are bedrock sourced and may represent near surface alteration and/or mineralization of the intrusives.

A large circular magnetic anomaly about 600 m in diameter exists on the eastern edge of the magnetic linear. Apparent resistivity and electromagnetic maps show resistivity lows combined with weak electromagnetic conductors which form a circular pattern around the edge of the anomaly. This anomaly is coincident with the strong magnetic linear and may represent an intrusive emplaced along a lithologic/structural contact. 5.

#### CONCLUSIONS AND RECOMMENDATIONS

Based upon a review of geologic and geophysical information available, it can be concluded that the Comm Property is located in an area favourable for hosting stratabound sedimentary copper-silver, intrusive related gold (syenite and intrusive breccia) and mineralized quartz-carbonate veins. The airborne geophysical survey identified discrete magnetic anomalies coincident with electromagnetic conductive zones which may be near surface mineralized/altered intrusive plugs and/or structurally related mineralization. Additional exploration for the intrusive and stratabound related mineralization is warranted. Future exploration on the Comm claims should include:

- a) sampling sediments in streams draining the property and areas underlain by geophysical anomalies followed by prospecting and rock sampling of anomalous drainages;
- b) property-scale geologic mapping and prospecting;
- c) detailed geologic mapping and sampling of discovered and known mineral occurrences;
- geochemical soil sampling over areas of discovered mineral occurrences;
- e) ground geophysical surveys including magnetometer, very low frequency, and induced polarization over areas of detailed geologic mapping and geochemical sampling;
- f) limited trenching of those areas with encouraging results.

In areas of mineralization, detailed mapping and sampling of alteration and mineralization should be conducted with emphasis on relationships between stratigraphy, contact zones, structure, and intrusive units. Geochemical soil sampling should be considered in areas where mineralization or rocks of interest are obscured by overburden. Ground geophysical surveys may be required to elucidate structure, lithology and extent of mineralization. Contingent upon favourable results, diamond drilling may be required to further evaluate the mineral potential of the Comm Property.

Geol.)

Edmonton, Alberta 2000 06 22

#### REFERENCES

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- Goble, R. (1984) Mineralogy and petrology of the Commerce Mountain copper/gold deposit; B.C. Min. of Energy, Mines, and Petr. Resources assessment report 12,638, 23 p., 4 figs.
- Grant, B. (1985) Assessment Report Sambo #1; B.C. Min. of Energy, Mines, and Petr. Resources assessment report 13,978, 12 p., 3 figs.

International Curator Resources Ltd. (1999a) Corporate press release dated 05/03/99.

International Curator Resources Ltd. (1999b) Corporate press release dated 09/15/99.

- Northern Miner (1974) Article dated 21/02/74 in Canadian mineral deposits not being Mined; Energy, Mines and Resources Canada, Mineral Bulletin MR 223, November, 1989, B.C. 42.
- Price, R. A.(1962) Fernie map-area, east half, Alberta and British Columbia; Geol. Sur. of Can. Paper 61-24.
- Price, R. A.(1965) Flathead map-area, British Columbia and Alberta; Geol. Sur. of Can. Mem. 336.
- Stephens, M. (2000) Dighem survey for Aubyrd Property, Comm Property, and Commerce Property; unpublished report dated February, 2000 for Dahrouge Geological Consulting Ltd. by Geoterrex-Dighem, 45 p.
- Stevenson, R.W. (1968) Final Report 1967 Waterton Copper Project; unpublished report dated January, 1968 for Kennco Explorations, 20 p., 2 appendicies.
- Trueman, E. (1970) Exploration 1970 Flathead Project; unpublished report dated October, 1970 for Alcor Minerals Ltd. by Geowest Services Ltd., 15 p., 15 figs, 5 appendices.

# APPENDIX 1: ITEMIZED COST STATEMENT

a) <u>Personnel</u>				
J. Dahrouge, geologis 3.5 days  3.5 days @	st arranging for airborne geophysics, report writing, and supervision \$ 428.00	\$1	,483.02	
T. Faragher, geologis <u>9.1</u> days 9.1 days @	t review geophysical data, report writing ) \$ 374.50	\$3	, <b>42</b> 1.06	
W. McGuire, draftsm <u>5.9</u> days 5.9 days @	an preparing figures and maps § \$374.50	\$2 	,217.79	¢ 712187
				φ /,121.01
b) Food and Accommo	pdation n/a			
c) <u>Transportation</u>	n/a			
d) <u>Instrument Rental</u>	n/a			
e) <u>Drilling</u>	n/a			
f) <u>Analyses</u>	n/a			
g) <u>Report</u>		\$	75.00	
h) <u>Other</u>	Airborne Geophysics (Geoterrex-Dighem) Geophysical Data Interpretation (Intrepid Geophysics) Courier Long distance telephone Map reproductions	\$24 \$1 \$ \$ \$	1,442.87 1,617.84 59.05 7.60 63.03	\$ 26,265.39
Total				\$ 33,387.25

<u>Total</u>

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#### APPENDIX 2: STATEMENT OF QUALIFICATIONS

T. Faragher obtained a degree in geology from the University of Alberta, Edmonton in 1988. He has more than 10 years of experience in mineral exploration.

The work described in the report was under the supervision of J.R. Dahrouge who obtained degrees in geology and computing science from the University of Alberta, Edmonton in 1988 and 1994 respectively. He has more than 10 years of experience in mineral exploration. He is a member of the Canadian Institute of Mining and Metallurgy and is registered as P.Geol. with the Association of Professional Engineers, Geologists, and Geophysicists of Alberta.











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