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**GEOPHYSICAL REPORT ON THE VEEGEE GROUP (MAC 1&2)
LILLOET MINING DISTRICT**

LATITUDE: 50 Deg. 35.5' N.
LONGITUDE: 122 Deg. 31.0' E.
NTS: 92J 10E

OWNER-----
OPERATOR--> Bill McConechy
AUTHOR-----

Date: August 13, 2004

GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT
27459

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SUMMARY

The VEEGEE Group (MAC 1 & 2 Claims) consists of 20 units within the Anderson Lake extension of the Bridge River Gold Camp. It has been shown that the claims lie along the extension of the Cadwallader Fault which hosts the Bralorne-Pioneer Mine, approximately 30 km. to the northwest. The mine produced 5 million tons of 18 g/t gold over the years 1910 to 1971, and was the largest gold mine in B.C. at time of closure.

From August 9 - 11, 2004, a magnetometer survey was conducted on a 50 M. grid in an area just west of the area where the 2003 geophysical project was undertaken.

Magnetometer surveys in the southern portion of MAC 1 claim began in 2002 and continued in 2003 and this year.

The eastern portion is underlain by the Hurley Formation, as was most of the southern portion of the MAC 2 claims, and this area is of little interest.

Between 550 and 650 m west of the MAC 2 LCP is an area of talus on the 70% slope. Above this, to the north, are a number of outcrops forming steep bluffs. Magnetometer values here show a north-west trending band of higher gamma values, indicating ultramafics. This was verified by numerous pockets (within the Bralorne Intrusives) of serpentinite and peridotite both in the talus and in the outcrops. A large (20ft wide, striking north) quartz vein is situated at 500 W, 350 N of the MAC 2 LCP. A brief survey revealed no mineralization there, however.

The next magnetometer survey will be performed on the south-west portion of the MAC 1 claims. This may show another band of ultramafics/quartz veins. At the same time the geology in this area will be studied more closely.

1.0 INTRODUCTION

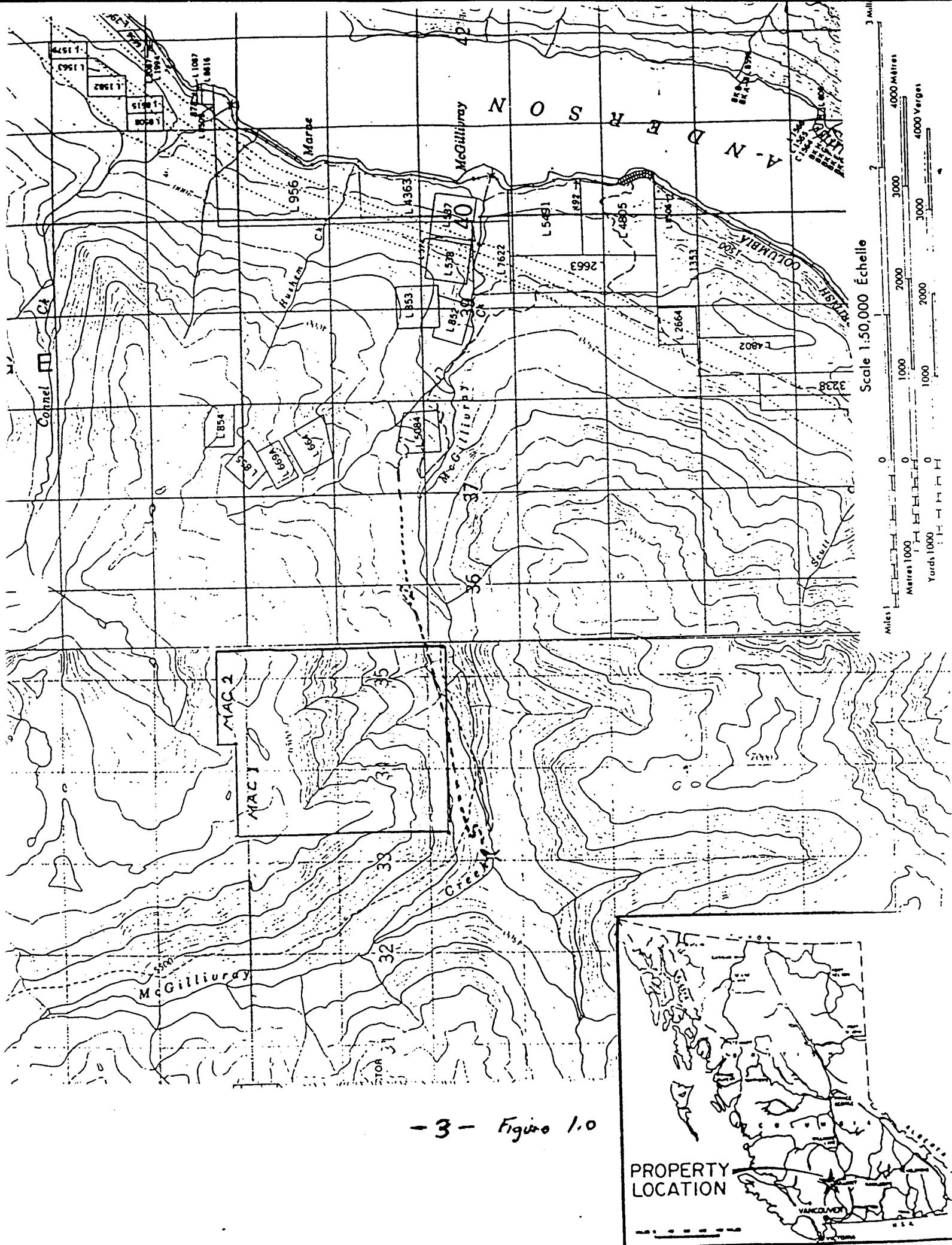
The VEEGEE Group is located 7 Km. west of Anderson Lake with it's southern boundary paralleling McGillivray Creek on it's easterly leg to the lake. The town of D'Arcy is about 14 km. by road to the south-east. Access is via the D'Arcy-Lillooet powerline road to McGillivray Creek where a rough 4X4 road runs along the north bank of the creek, above the old McGillivray Creek Trail. D'Arcy lies at the end of Highway 99 from Vancouver. Figure 1.0 shows the general and specific location of the property. The 20 unit group was first staked in 1981 by the author, was optioned to X-Cal Resources Ltd. between 1983 and 1987 during which time work was performed by both X-Cal and Hudson Bay Exploration Ltd. The property was returned to the author in the spring of 1987, and has remained in good standing throughout it's history.

The claims lie on a steep (+30%) side slope from creek bottom (4000') to mountain ridge (7000'). Two small creeks drain into McGillivray Creek on the claims. They originate just below the craggy mountains peaks which form the northern boundary.

2.0 HISTORY AND PREVIOUS WORK

The property dates back to 1910 when it was known as the Diorite Camp and the old workings and remnants of a stamp mill and two large log bunkhouses can still be seen there. The Diorite Adit is located near the south boundary of the property a few hundred meters north of the 4X4 road about 700 m. from the west boundary. The elevation here is about 4500'. The attraction in 1910 and now is a 15' quartz vein striking N-S, as well as a few minor veins. However, extensive assays by Hudson Bay Exploration within the adit revealed little of interest.

The claims were staked by the author in 1981 on the basis of some lapsed units, geology similar to the Bralorne areas, and a few silt and rock assays. Shortly afterwards the surrounding area was staked by X-Cal Resources.



- 3 - Figure 1.0

2.0 HISTORY AND PREVIOUS WORK (Cont.)

Reports # 11749 & 11876 by Richard Mazur for X-Cal, in 1983 and 1984 indicated anomolous gold values from conventional silt and heavy mineral samples respectively. The largest values were on the west boundary (Silt:50 ppb, HMS: 1600 ppb) and just to the east towards the Anderson Lake Gold Mine (HMS: 4430 ppb). A silt sample on the north ridge assayed 60 ppb and near the Diorite Adit 490 ppb.

In 1985, Hudson Bay Exploration conducted an extensive heavy mineral sampling program in the area, as well as mapping the local geology (report # 14382). Figure 2.1 shows this geology.

Results include anomolous gold values in the eastmost small creek, both through a heavy mineral sample and a soil sample at 800 m. N, 400 m. W of the southeast boundary. Again, several rock assays along the north ridge showed anomolous gold , silver, and antimony values.

Subsequent to 1985 and before 1989 work done on the claims consisted mainly of road building and maintenance.

In 1989, a geochemical survey was conducted by the author in an area just to the east of the current study. Soil samples were taken on 100m. centers, in the "B" Horizon, and where possible in the "C" Horizon. These were analysed for gold, arsenic and antimony. In addition, Teck Corp. geologists conducted geological mapping and silt/rock sampling in the claim area.

Areas of interest indicated the so-called cirque area, near the N/E claim boundary, and a 10 ft. wide quartz vein outcropping at 200N/200W of the southeast claim boundary.

In 1991, a Magnetometer Survey was conducted by the author in the southeast corner of the Mac 2 claim. This identified the possible extension of a quartz vein found in a previous study. It was hoped that the current study would reveal other possible quartz veins.

In 1992, a Magnetometer Survey was conducted by the author on a grid approximately 200m West X 400m North, just to the west of the 1991 grid. No magnetometer values of interest were found.

In 1998, a Magnetometer Survey was conducted by the author on a grid approximately 250m West X 400m North, just to the west of the 1992 grid. No magnetometer values of interest were found.

In 2001, a Magnetometer Survey was conducted by the author on a grid approximately 250m West X 500m North, just to the west of the 1998 grid. This finished off the surveying of the lower, more accessible part of the MAC 2 Claim. No magnetometer values of interest were found.

In 2002, a Magnetometer Survey was conducted by the author on a grid approximately 250m West X 400m North, just to the west of the 2001 grid., on the eastern part of the Mac 1 claim. Although the eastern 300 m of the Mac 1 claim showed uninteresting values, the area underlain by Bralorne Intrusives gave some anomalous values,

In 2003, a Magnetometer Survey was conducted by the author on a grid approximately 250m West X 400m North, just to the west of the 2002 grid., on the eastern part of the Mac 1 claim. The somewhat higher magnetometer readings reflected the change of underlying geology to Bralorne Intrusives.

3.0 GEOLOGY AND MINERALIZATION

The regional geology is well documented by, for example, J.A. Roddick and W.W. Hutchison in G.S.C Paper 73-17 and will only be summarized here.

The Bridge River or Fergusson Group consists mainly of a "thick sequence of thin-bedded chert, cherty argillite, and argillite intercalated with altered basaltic flows and minor limestone". This is the oldest unit in the area and is probably Middle Triassic and older.

The Cadwallader Group consists of the Noel, Pioneer, and Hurley Formations, all Upper Triassic. Pioneer, the oldest, consists mainly of greenstone. Noel, is essentially thin-bedded black argillite. The youngest member, the Hurley, is composed of green, brown, black, limy argillite, limestone, and tuff.

Igneous intrusions include the Bralorne Diorite (Paleozoic), the Cretaceous ultrabasics, and the Coast plutonic rocks, eg. granodiorite (Mesozoic).

Figure 2.2.1 shows these lithological units.

Gold mineralization at Bralorne is associated with altered ultramafics, but more importantly gold-bearing quartz veins are found along with the major fault system which extends from the Bralorne area through the property under study.

Any of the diorite, greenstone, argillite, and tuffs have been found to host mineralized quartz veins. Also there are many theories as to which structures may produce ore grade veins and which portions of the vein may be the richest.

In our local area of interest are found all necessary ingredients for ore formation. The major fault structure, (extension of the Cadwallader Shear & Ferguson Overthrust) cuts diagonally across the group. These faults transect the sedimentary/volcanic Bridge River Group & Hurley Formation. Linear, altered serpentinite zones mark these faults which have controlled the emplacement of a body of Bralorne Diorite/Greenstone. The above sequence lies between the main body of the Coast Plutonic Complex and outlying bodies of Bendor Granodiorite.

3.0 GEOLOGY AND MINERALIZATION (Cont.)

The quartz veins encountered by Teck Corp. show similarities to those at Bralorne in that they contain the following mineralogy: pyrite, galena, sphalerite, trace tetrahedrite with pyrrhotite, and chalcopyrite in the wallrock.

The ultramafics (serpentinite, peridotite) have been found in several areas by both Hudson Bay, and more recently by Teck Corp. The diorites and greenstones (Bralorne Intrusives) and argillites (Hurley) are ubiquitous. A large outcrop of greenstone was found at 600-700 N. along the east boundary. Within this outcrop is a vertical albite dyke, 4' wide, striking N 40 E.

At 200 N, 200 W from the southeast corner, on the east bank of a small creek, is a 10' wide quartz vein. This vein strikes N 30 E and is vertical.

Figure 2.1 shows the local geology as mapped by Hudsons Bay Exploration. Figures 2.2.2 - 2.2.3 show the same as mapped by Teck Corp.

The following describes the silicon cirque area examined by Teck Corp.:

An irregular 800 x 900 m grid, with 50 m spacings, was established in the Silicon Cirque area to facilitate mapping and rock sampling of quartz veins occupying a conjugate fracture system in the Bralorne Diorite. The fracture system is denoted by quartz-carbonate to listwanitic alteration. Veins trend 20 - 40 degrees and 120 - 140 degrees with shallow dips to the south.

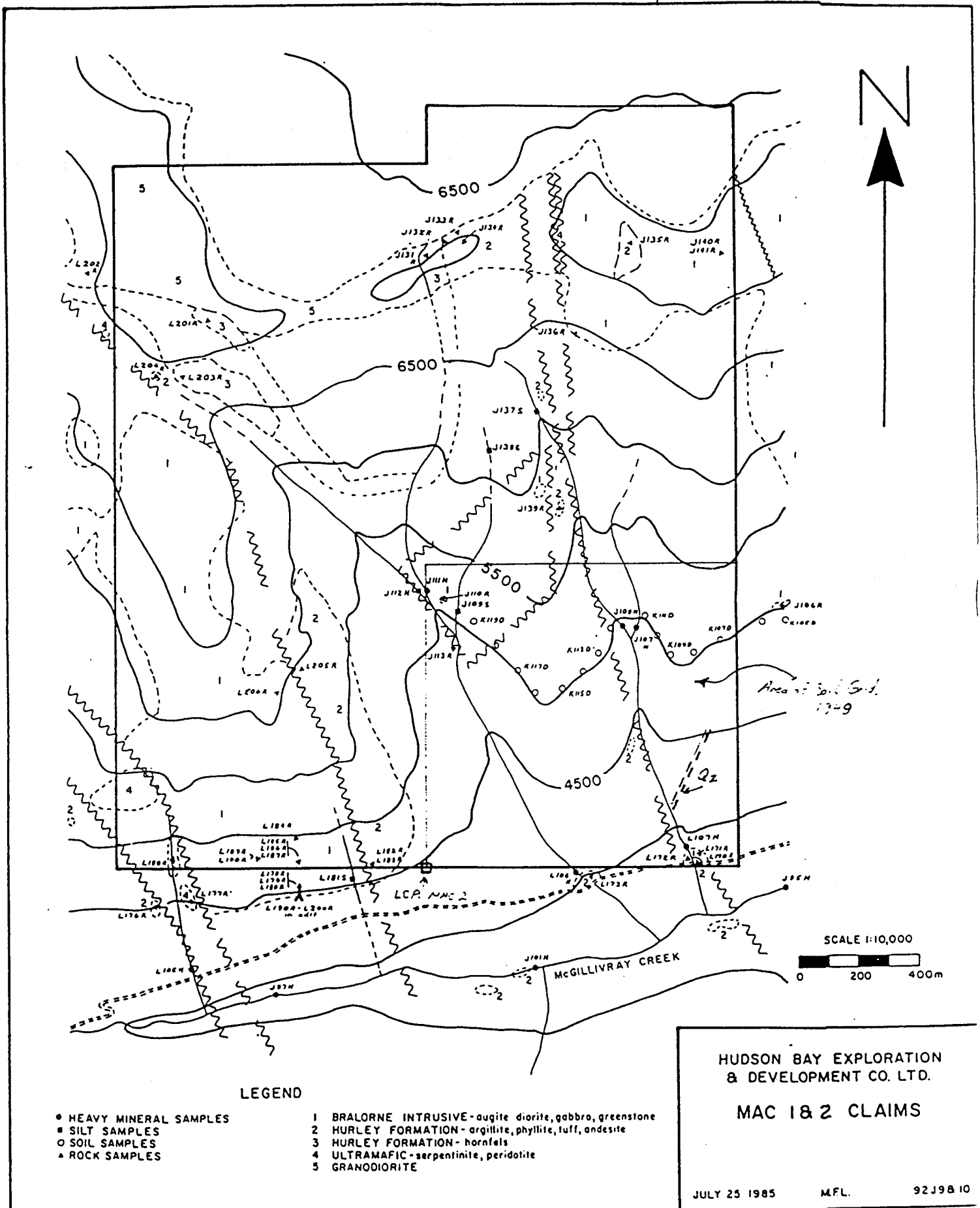
3.0 GEOLOGY AND MINERALIZATION (Cont.)

The environment at Silicon Cirque is similar to that of the Pioneer Mine with similar rock units, (ie the Bralorne Diorite/Greenstone, proximal ultramafic rocks, and peripheral albitite dykes). However, the Bralorne soda granite is absent and the quantity and size of the albitite dykes is much greater at Pioneer than at Silicon Cirque. The Cirque may also be lacking major late stage faulting which has caused brecciation of the albitite and soda granite at the Pioneer Mine. Minor offset of an albitite dyke near Silicon Cirque was observed, but brecciation was not evident.

Vein Mineralogy is also similar to Bralorne. The Bralorne and Silicon Cirque veins contain some tetrahedrite and galena with pyrrhotite and minor chalcopyrite proximal to some of the veins. Unfortunately, the veins do not exhibit a good Au/Pb association which is typical of the Bralorne veins. Also, a similar shallow conjugate vein system at Bralorne contains significant Au values at depth. Unfortunately, due to the position of the veins and shallow dip, long drill holes (2000 ft. +) with helicopter access would be necessary to test the depth extent.

The Silicon Cirque veins are not anomalous in Au. Only 2 anomalous Au values were obtained from the veins, 490 ppb and 380 ppb Au. Values up to 74.9 ppm Ag, 5,526 ppm As, 100 ppm Sb, 2.6 g/t Hg, 630 ppm Cu +/- anomalous Pb, Zn values were obtained from tetrahedrite rich sections of the veins. One of the veins carried 1,210 ppm W.

Two soils from listwanite zones carried 180 ppb and 590 ppb Au. Follow-up of the soils did not reveal any further anomalies.



LEGEND

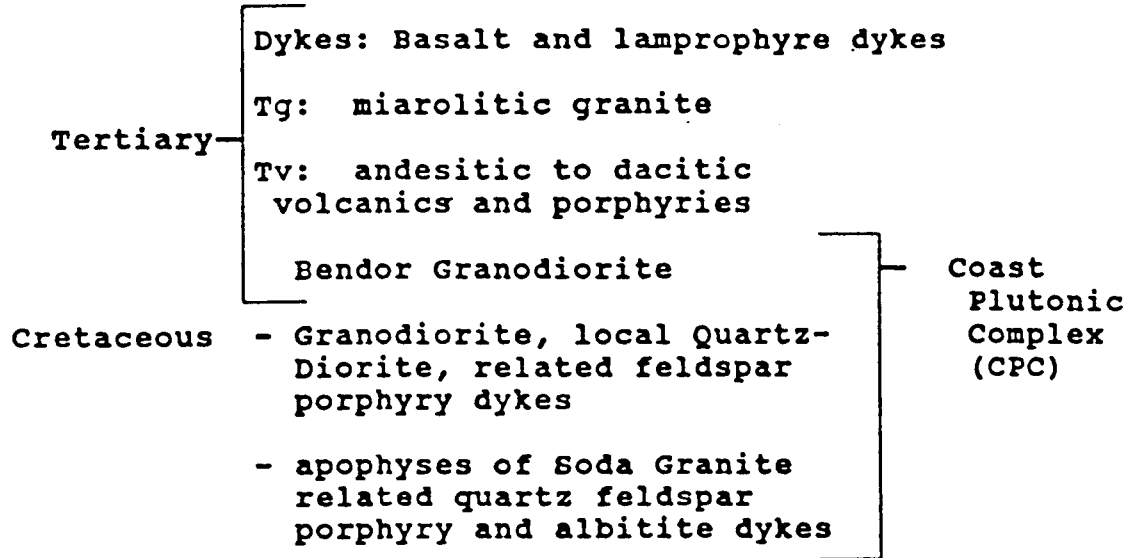
- HEAVY MINERAL SAMPLES
- SILT SAMPLES
- SOIL SAMPLES
- ▲ ROCK SAMPLES
- 1 BRALORNE INTRUSIVE - augite diorite, gabbro, greenstone
- 2 HURLEY FORMATION - argillite, phyllite, tuff, andesite
- 3 HURLEY FORMATION - hornfels
- 4 ULTRAMAFIC - serpentinite, peridotite
- 5 GRANODIORITE

HUDSON BAY EXPLORATION
& DEVELOPMENT CO. LTD.

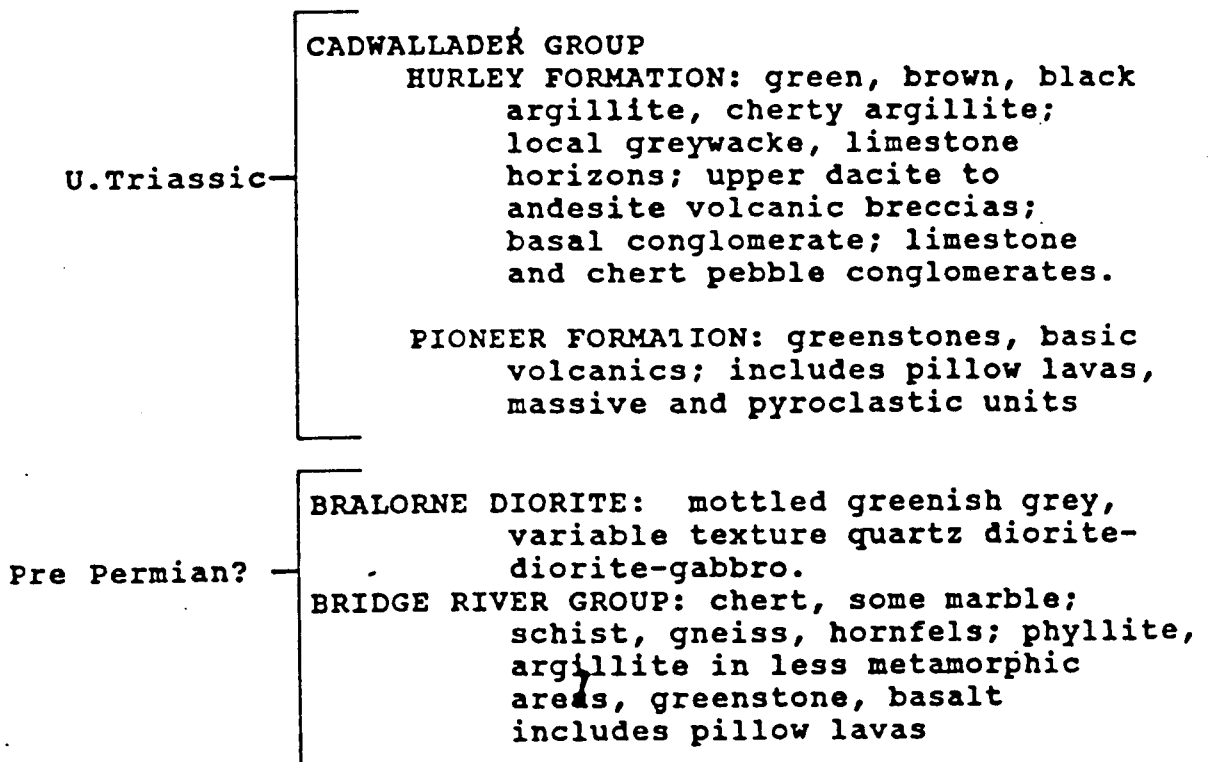
MAC 1 & 2 CLAIMS

JULY 25 1985 M.F.L. 92J98 10

TABLE OF LITHOLOGICAL UNITS:



PRESIDENT ULTRABASIC COMPLEX: pyroxenites, dunites, largely altered to serpentinite (Um, Serp.)



Lithology

R : Rhyolite
 Rd : Rhyodacite
 D : Dacite
 A : Andesite
 B : Basalt
 G : Granite
 QM : Quartz Monzonite
 GDi : Granodiorite
 QDi : Quartz Diorite
 Di : Diorite
 Arg : Argillite
 Ch : Chert
 Sts : Siltstone
 Cgl : Conglomerate
 GW : Greywacke
 Phy : Phyllite
 Hfs : Hornfels
 Sch : Schist
 Ms : Metasediment
 Mv : Metavolcanic
 Gst : Greenstone
 Um : Ultramafic
 Serp : Serpentinite
 Alb : Albitite
 Lamp : Lamprophyre

Textures

t : tuff
 lap t: lapilli tuff
 agg : agglomerate
 bv : breccia
 p : porphyry

Structures

dy : dyke
 v : vein
 shr : shear
 bx : breccia
 mig : migmatite
 sw : sweat

Alteration

a : altered
 sil : silicified
 cl : clay
 list : listwanite
 carb : carbonate
 ank : ankerite
 r : rusty

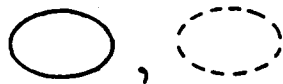
Minerals

py : pyrite
 cp : chalcopyrite
 po : pyrrhotite
 sp : sphalerite
 tetra: tetrahedrite
 aspy : arsenopyrite
 mal : malachite
 az : azurite
 q : quartz
 cal : calcite
 ep : epidote
 trav : travertine
 gnt : garnet
 bio : biotite
 tc : talc
 f : feldspar

Modifiers

w : weak
 m : moderate
 s : strong
 i : intense
 l : local
 chy : cherty
 arg : argillaceous
 phy : phyllitic

Symbols



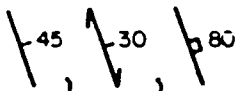
area of outcrop, float



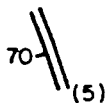
general area outcrop, subcrop, talus



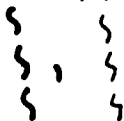
alteration zones



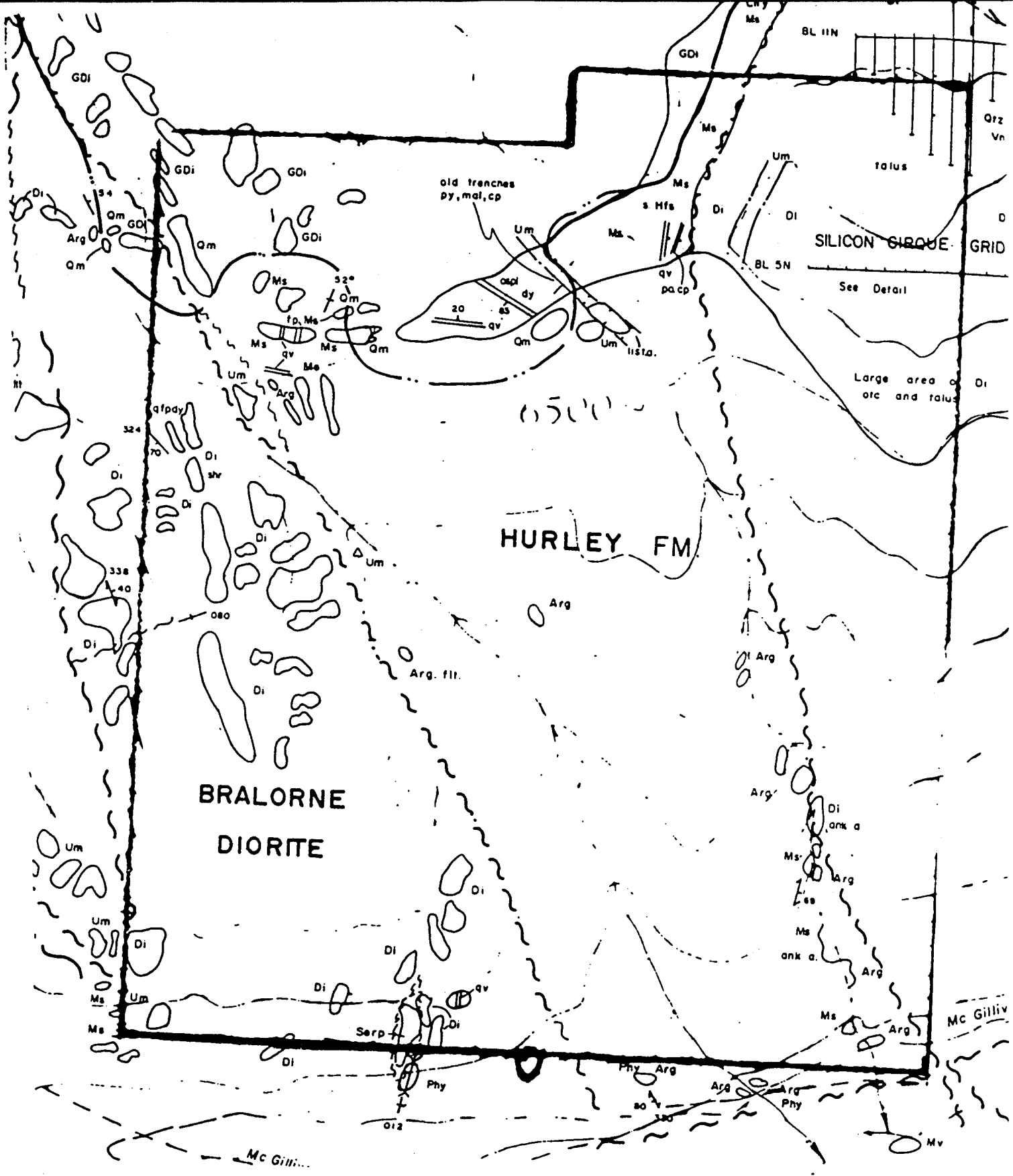
strike and dip of bedding, foliation, joints



quartz veins with (width in cm)



faults, shears



- 12 - Figure 2.2.3

4.0 CURRENT 2004 PROJECT

4.1 Methodology

The current project was intended to extend the magnetometer grid of the 2003 work to the west.

A Scintrex MF-2-100 fluxgate magnetometer was used to take readings on 50 m. centers.

The magnetometer measures relative values of the vertical component of the magnetic field intensity. It was set on the 40,000 gamma range and fine tuned to give mid-scale values throughout the area of study. The unit was leveled, a reading taken off the scale, and recorded. Care was taken that the instrument man removed all possible magnetic sources such as keys, watch, belt & knife, so as not to interfere with the readings.

Corrections for diurnal & temperature variation on magnetic field were made by the loop method. Repeat readings were taken at the same station approximately every 2 hours. These corrections were not large.

Distance measurements were made using chain and compass.

4.2 Results

Figure 3.0 shows the location and values of the corrected magnetometer readings in the MAC 1 claim area only. This includes the values collected in 2002 and 2003.

See previous reports by this author in the VEEGEE claim group for survey data collected in 1991, 1992, 1998, and 2001, on the MAC 2 claims

Figure 3.1 shows a 3-D plot of the MAC 1 gamma values.

2004 PROJECT MAC | Claim MAGNETOMETER Survey

MAGNETOMETER (Gamma) Values

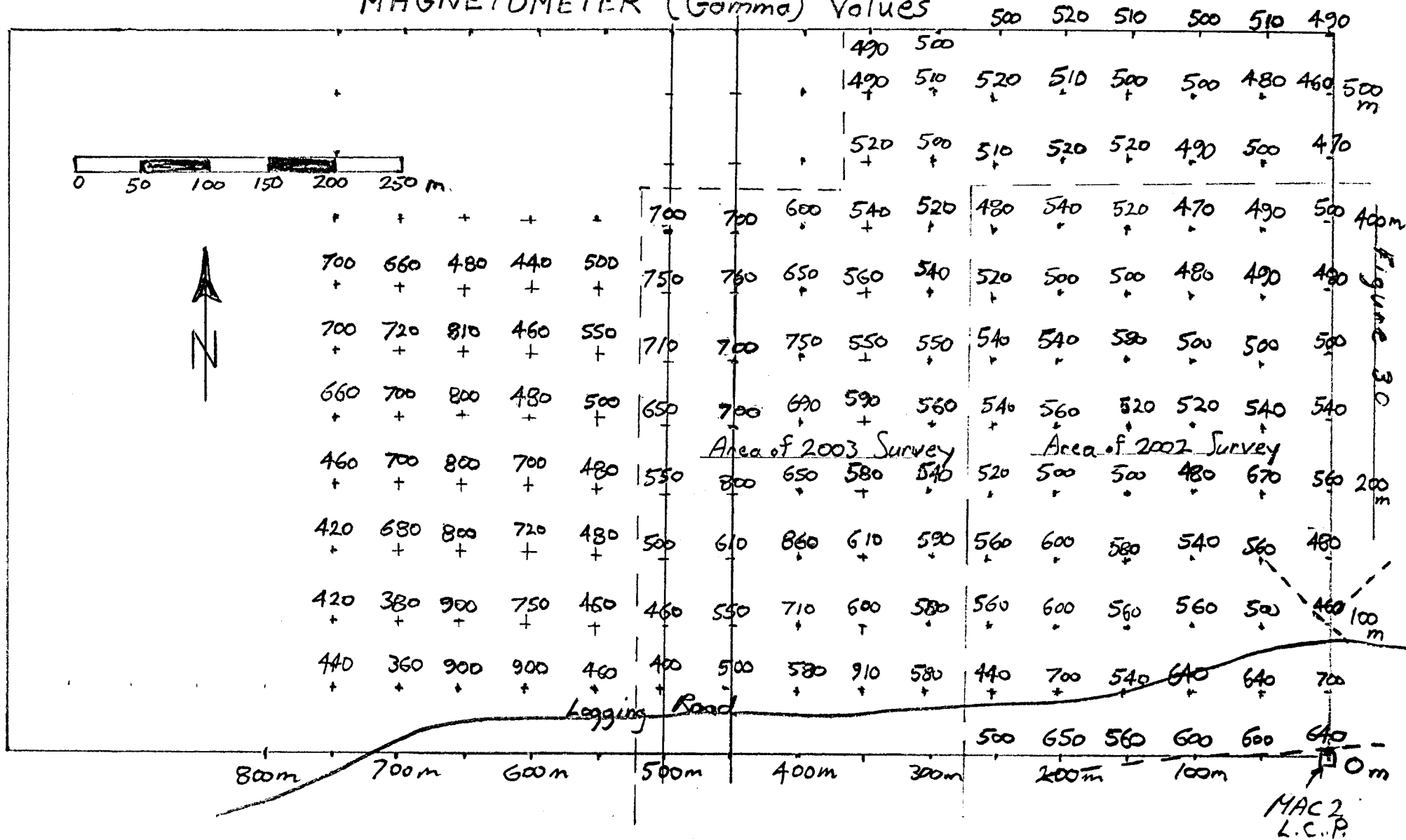
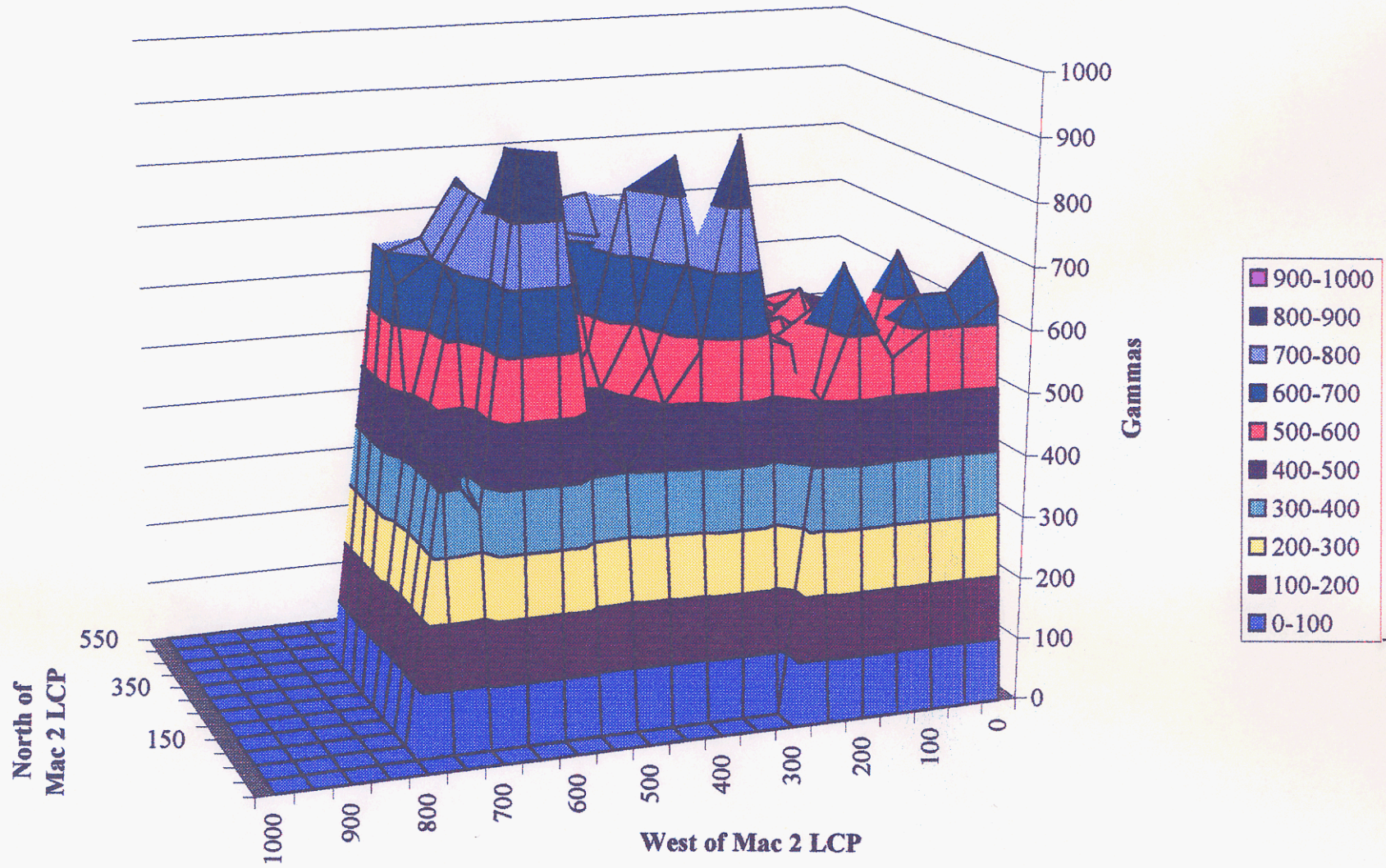


Figure 3.1

Magnetometer Values for Mac 1 Claims



5.0 DISCUSSION AND INTERPRETATION

Magnetometer surveys in the southern portion of MAC 1 claim are more than half completed. The eastern portion is underlain by the Hurley Formation, as was most of the southern portion of the MAC 2 claims, and this area is of little interest.

Between 550 and 650 m west of the MAC 2 LCP is an area of talus on the 70% slope. Above this, to the north, are a number of outcrops forming steep bluffs. Magnetometer values here show a north-west trending band of higher gamma values, indicating ultramafics. This was verified by numerous pockets (within the Bralorne Intrusives) of serpentinite and peridotite both in the talus and in the outcrops. A large (20ft wide, striking north) quartz vein is situated at 500 W, 350 N of the MAC 2 LCP. A brief survey revealed no mineralization there, however.

6.0 ITEMIZED COST STATEMENT

Transportation _____	\$ 440
Accomodation _____	\$ 260
Supplies & Camping Equipment _____	\$ 240
Maps/Office Supplies _____	\$100
Food _____	\$200
Equipment Rental _____	\$300
Wages: Project Manager:	
Prep. Work: 2 day X \$ 300 _____	\$ 600
Field Work: 3 day X \$ 300 _____	\$ 900
Report Preparation _____	\$ 350
Total:	\$ 3390

7.0 QUALIFICATIONS OF AUTHOR

The author of this report, Bill McConechy, graduated from B.C.I.T., in Mining Technology, in 1973. He completed a B.Sc. (Honours) in Statistics from S.F.U. in 1978. Since 1972 he has been employed on several exploration crews performing drill logging, surveying, and geological, geochemical, and geophysical surveys for companies such as Canadian Superior Explorations, Hazelton Joint Ventures, and Noranda. He has led several other private exploration ventures, the most notable being 3 km. south of the present Cirque deposit in the Rocky Mountains (Family group of claims, Omenica Mining District, July 28, 1975). This project was aided by the B.C. Propector's Assistance Grant. The author has more recently been employed as a computer specialist for mining applications for Placer Dome and Manalta Coal.

8.0 CONCLUSIONS AND RECOMMENDATIONS

Magnetometer surveys in the southern portion of MAC 1 claim began in 2002 and continued in 2003 and this year.

The eastern portion is underlain by the Hurley Formation, as was most of the southern portion of the MAC 2 claims, and this area is of little interest.

Between 550 and 650 m west of the MAC 2 LCP is an area of talus on the 70% slope. Above this, to the north, are a number of outcrops forming steep bluffs. Magnetometer values here show a north-west trending band of higher gamma values, indicating ultramafics. This was verified by numerous pockets (within the Bralorne Intrusives) of serpentinite and peridotite both in the talus and in the outcrops. A large (20ft wide, striking north) quartz vein is situated at 500 W, 350 N of the MAC 2 LCP. A brief survey revealed no mineralization there, however.

The next magnetometer survey will be performed on the south-west portion of the MAC 1 claims. This may show another band of ultramafics/quartz veins. At the same time the geology in this area will be studied more closely.

9.0 REFERENCES

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