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SUMMARY REPORT ON  
GEOLOGY, LITHOGEOCHEMISTRY,  
SOIL GEOCHEMISTRY, AND MAGNETOMETER SURVEY

CONTACT 1, 2, 3 GROUP

Flores Island, B.C.

Alberni Mining Division

NTS 92E/8E 49°17.6'N Lat., 126°04.4'W Long.

for

PARALLAX DEVELOPMENT CORPORATION

January 30, 1987

T. Gregory Hawkins, P.Geol.



## SUMMARY

Geological exploration including regional mapping, prospecting, rock sampling, soil sampling and a magnetometer survey on the Contact 1 2, 3 Group in the Alberni Mining Division, was carried out by MPH Consulting Limited during November 1986.

The Contact 1, 2, 3 claims are underlain predominantly by Paleozoic to Mesozoic(?) Westcoast Complex metasediments and metavolcanics derived from Sicker Group rocks, which have been intruded by granodiorite and quartz diorite to diorite and gabbro of Jurassic Island Intrusions and Tertiary Catface Intrusions.

Copper, lead, zinc and arsenic associated with anomalous gold and silver concentrations occur with contact metasomatic massive sulphides, in quartz veins and in areas of epidote, chlorite and siliceous alteration. Commonly observed in showings on the property are chalcopyrite, bornite, chalcocite, azurite, malachite, galena, sphalerite, arsenopyrite, and pyrrhotite, as well as abundant pyrite and magnetite.

Extremely anomalous values of gold, silver, copper, lead and zinc with arsenic have been returned from five separate quartz veins which outcrop along the western coastline of McNeil Peninsula. The highest results are from a grab sample of a 15 cm vein: 600.0 g/t Au (17.500 oz/ton), 332.6 g/t Ag (9.70 oz/ton), 2274 ppm Cu, 6.28% Pb, 4.82% Zn, and 6.90% As (sample 14569); a sample from nearby yielded values of 60.0 g/t Au (1.750 oz/ton), 83.7 g/t Ag (2.44 oz/ton), 2.34% Pb, 3.06% Zn, and 8.02% As (sample 14568).

Anomalous lithogeochemical results returned from rock samples collected in the grid area on central Contact 1 claim include values of up to 23.7 g/t Au (0.692 oz/ton), 240.7 g/t Ag (7.02 oz/ton), 8.48% Cu, 12.90% Zn and 0.05% Cd.

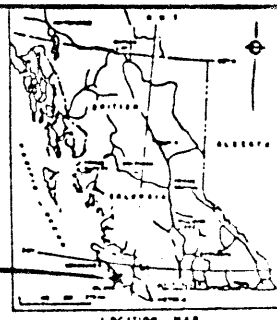
Soil sampling in the central Contact 1 claim grid has returned high to anomalous values in gold, silver, lead and zinc in the central portion, with arsenic, silver, copper anomalies in the southwestern portion. A silt sample collected from the northern portion of the grid returned 40.0 ppm Ag and 266 ppm Pb.

The magnetometer survey has outlined specific 'highs' and 'lows' indicating the presence of abundant magnetite and/or pyrrhotite and a possible siliceous zone in the grid area. One localized continuous 'low' zone may represent a fault or shear zone.

Results from 1986 work are very encouraging and confirm this area as being a geologically favourable environment for mineralization. The presence of gold and silver in very significant quantities associated with sulphides and the abundance of contact zones between intrusives and Westcoast Complex increases the targets for exploration. Further exploration work is strongly recommended. Phases I and II geological, geophysical and diamond drill programs are proposed at an estimated combined cost of \$500,000.



LCP MAY 3  
1237(5)



CONTACT GROUP  
FLORES ISLAND

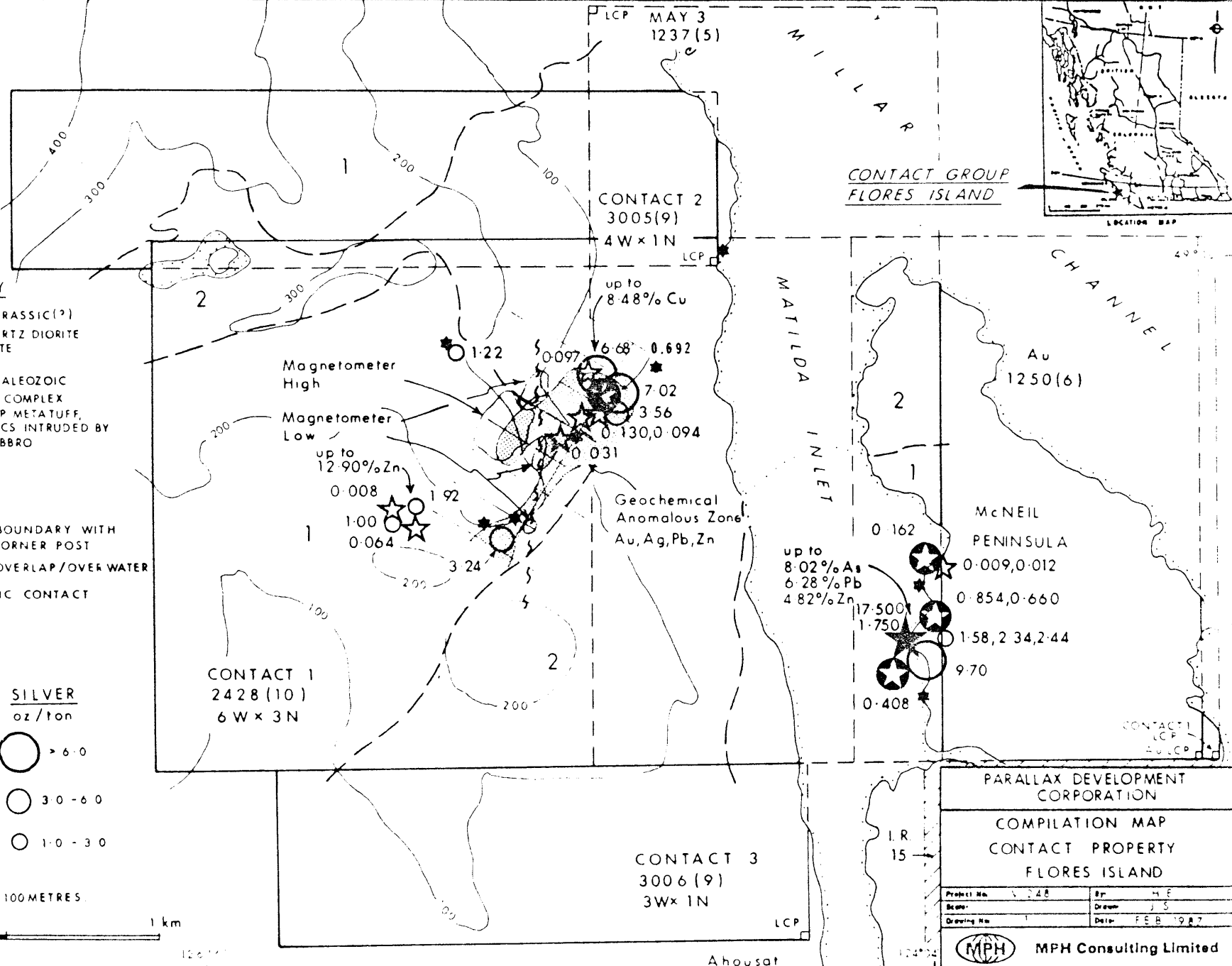
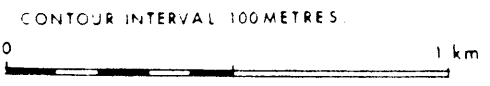
### GEOLOGY

- TERTIARY AND/OR JURASSIC(?)
- 2 DIORITE, QUARTZ DIORITE, GRANODIORITE
- MESOZOIC AND/OR PALEOZOIC
- 1 WEST COAST COMPLEX, SICKER GROUP METATUFF, METAVOLCANICS INTRUDED BY DIABASE, GABBRO

### KEY

- CLAIM BOUNDARY WITH LEGAL CORNER POST
- CLAIM OVERLAP/OVER WATER
- GEOLOGIC CONTACT
- FAULT
- GRID

- GOLD**  
oz/ton
- >1.0
  - 0.15-0.9
  - 0.005-0.15
  - ANOMALOUS
- SILVER**  
oz/ton
- >6.0
  - 3.0-6.0
  - 1.0-3.0



PARALLAX DEVELOPMENT CORPORATION

COMPILATION MAP  
CONTACT PROPERTY  
FLORES ISLAND

Project No. 5248	By: H.F.
Scale:	Drawn: J.S.
Drawing No. 1	Date: FEB 1987

MPH Consulting Limited



## 1.0 INTRODUCTION

This report represents a comprehensive study and evaluation of results obtained from field work carried out during November of 1986 by MPH Consulting Limited, at the request of Mr. R. Tsuida of Parallax Development Corporation.

Field work included geological mapping, prospecting, rock and soil sampling for geochemical analysis, and a magnetometer survey which covers the central Contact 1 claim.

Previous work was integrated with this work wherever possible and a considerable amount of research into mineral occurrences, regional geology and history gives a complete account of the mineral potential of the area (Hawkins 1987).

## 2.0 LOCATION, ACCESS, TITLE

The Contact 1, 2, and 3 group of claims is located approximately 20 km northwest of Tofino on the SE of Flores Island, in the Alberni Mining Division of B.C., at approximately 49°17.6'N latitude, 126°04.4'W longitude on NTS mapsheet 92E/8E (Figure 1).

Access to Flores Island is gained by float plane, helicopter or boat from Tofino. The property is located adjacent to I.R. 15, near the native village of Marktosis, as well as the village of Ahousat. A small boat is necessary to gain access to the claims, which are separated by Matilda Inlet and extend onto the McNeil Peninsula.

Flores Island terrain is very rugged, with elevations ranging from 0 to 850 m (Mt. Flores). The island is covered in forest of Douglas fir and western red cedar, as well as dense undergrowth (salal) and windfalls. A network of trails leads to various old workings on the claims, but roads are nonexistent on the property.

Claim information is summarized below:

<u>Claim</u>	<u>Record No.</u>	<u>Units</u>	<u>Owner</u>	<u>Anniversary Date</u>	<u>Year Recorded</u>
Contact 1	2428(10)	18	Parallax	Oct. 17, 1992	1984
Contact 2	3005( 9)	4	Development	Sept. 12, 1991	1986
Contact 3	3006( 9)	3	Corporation	Sept. 12, 1991	1986

A Notice to Group was recorded September 25, 1986 as the Contact 1, 2, 3 Group.

A Bill of Sale dated December 3, 1986 transferred 100% ownership from Robert Tsuida, Walter Carlson and Robert Harvey Day to Parallax Development Corporation, which is the owner/operator of the claims.

## 3.0 PREVIOUS WORK

Government geological work in the area includes mapping by Hayrock and Webster of the Geological Survey of Canada beginning in 1902. Later work includes surveying in 1920 by Dolmage, and geological reconnaissance by M.F. Bancroft (1937). Jeletzky (1950, 1954) carried out detailed examinations of Mesozoic and Tertiary sediments to establish the stratigraphy of the area. Published annual reports from the British



Columbia Department of Mines show records of investigations of mineral deposits in the region. The Ormond Showing (Cu, Ag, Au) was examined in 1928 and 1930, and followed up during the 1930's by trenching across the strike of the mineralized zone and driving an inclined shaft to intersect this zone at depth. A report on the geology and mineral deposits of the Nootka Sound map area by Muller, Cameron, and Northcote, for the Geological Survey of Canada, was published in 1981.

An I.P. Survey conducted by Van West Minerals (Sutherland and Bell, 1962) resulted in the delineation of a good conductor associated with pyrrhotite mineralization, located in the most southeast portion of the Silver claim (presently Contact 1 claim).

Soil and silt sample surveys were carried out by Falconbridge Nickel Mine Ltd. in 1969 in the central and western portions of the Moly and Gold claims just to the north and northwest of the Contact 1, 2, 3 Group, resulting in some anomalous copper concentrations.

A soil geochemical survey conducted by Western Mines Ltd. in 1972 on the May 1 and May 2 claims to the west of the Contact 1, 2, 3 Group did not uncover significant base metal anomalies, and therefore did not warrant further work.

In 1974 Wesfrob Mines Ltd. mapped a small portion of the Moly claim (just north of Contact 2) to assess the potential for copper mineralization; however only minor amounts of chalcopyrite were found.

The Gold and Copper claims, to the northwest of the Contact 1, 2, 3 Group, were staked by Clear Mines Ltd. in early 1979. Airborne geophysical work including magnetometer, VLF-EM and radiometric surveys were conducted by D.G. Mark and Associates in July 1979 (Mark, 1980).

Grab samples taken from the Ormond Showing returned concentrations of up to 6.07% copper and up to 139.9 g/t (4.08 oz/ton) silver. A gold concentration of 1300 ppb from a soil sample confirmed the presence of a Au anomaly.

During the summer of 1985, Parallax Development Corporation collected rock samples from a trench on the central Contact 1 claim, two of which returned 205.0 g/t (5.98 oz/ton), and 3.29 g/t (0.096 oz/ton) Au. Another sample taken during the summer of 1986 from this trench returned values of 54.5 g/t Au (1.59 oz/ton), 180.7 g/t Ag (5.27 oz/ton), and 4.80% Cu. The most significant results however are from a showing on McNeil Peninsula, from which concentrations of 334.3 g/t Au (9.75 oz/ton), 397.4 g/t Ag (11.59 oz/ton), 5.17% Pb, and 2.92% Zn were returned, from one sample.

#### 4.0 REGIONAL GEOLOGY AND ECONOMIC SETTING

The west coast of Vancouver Island in the vicinity of Flores Island is underlain primarily by metavolcanic and lesser metasedimentary rocks of the Westcoast Complex (derived from Paleozoic Sicker Group rocks intruded by Jurassic Island Intrusions), and a variety of volcanics of the Bonanza Formation. These rocks are intruded by Tertiary Catface Intrusions on Flores Island.

Contact metasomatic (skarn) deposits, veins and shear zones, and porphyry deposits constitute the major metalliferous deposits in the vicinity of Flores Island. High to moderate mineral potential approximately coincides with areas where Quatsino Formation, Bonanza Formation and Sicker Group rocks are cut by Island Intrusions.



Moderate potential for mineralization corresponds to areas underlain by Bonanza Formation volcanics and Catface Tertiary Intrusions.

Iron and copper skarns are promising targets where Island Intrusions intrude Vancouver Group rocks or in the roof pendants of Sicker Group metasediments surrounded by Island Intrusions and Westcoast Complex rocks. Two nearby properties have reported limited production. The Glengarry, located at the head of Head Bay, milled 56,700 tonnes of ore which produced 22,680 tonnes of magnetite concentrate. The Indian Chief on Stewartson Inlet shipped 73,600 tonnes yielding 1,102,360 kg of Cu, 22,456 g of Au, and 1,707,400 g of Ag.

Tertiary pluton-associated copper and molybdenum occurrences found on Flores Island have only had low copper and molybdenum assays but otherwise have many similarities to the Catface porphyry copper (molybdenum) deposit a few kilometres to the east. A thorough description of mineral occurrences in the vicinity of Flores Island is provided in the main report (Hawkins, 1987).

## 5.0 PROPERTY GEOLOGY AND MINERALIZATION

Geological mapping at a scale of 1:10,000 (shown at 1:5000 in Hawkins, 1987) prospecting and rock sampling were carried out over the Contact 1, 2, 3 Group from November 5 to November 16, 1986. Grab samples (total of 130) were collected mainly from outcrops including old trenches, adits and showings which contained sulphides, interesting alteration and/or silicification. Five silt samples were collected from various parts of the property. Figure 1 is a compilation of the property geology with location of the grid, rock samples highly anomalous in gold and silver, areas of anomalous soil geochemistry, and magnetometer results.

In the area of central Contact 1 claim, McNeil Peninsula and northwest Contact 2 claim, metamorphosed, locally foliated Mesozoic and Upper Paleozoic volcanic and volcanoclastic rocks of the Westcoast Complex occur. Intermediate Intrusives of probable Tertiary age truncate rocks of the Westcoast Complex on the southeast, on Contact 3 claim and on the northeast on Contact 2 claim.

Contact metasomatic (skarn) and lesser but significant vein type mineralization occur on the property. A general inspection of the location of showings, old workings, and trenches clearly shows the association of mineralization with contact zones between the Tertiary and/or Jurassic dioritic intrusions and metamorphosed Sicker Group(?) rocks of the Westcoast Complex. Detailed rock sample descriptions and certificates of analyses are included in Hawkins, 1987.

Quartz veins/veinlets outcropping at the west coastline of the McNeil Peninsula on the Contact 1 claim were sampled as 14566-14570, occurring over a 35 m interval of Westcoast Complex rocks which are epidote altered. Gold concentrations from these veins are extremely anomalous with values ranging from 14.0 g/t (0.408 oz/ton) to 600.0 g/t (17.500 oz/ton). Extremely anomalous silver values for the veins range from 8.2 ppm to 332.6 g/t (9.70 oz/ton). Anomalous copper concentrations range from 227 ppm to 2274 ppm, and extremely anomalous lead and zinc concentrations range from 1562 ppm to 6.28% Pb and 4746 ppm to 4.82% Zn. Five of these veins returned more than 9999 ppm arsenic; assay results ranged from 2.32 to 8.02% As.

The best overall results were returned from a quartz vein sampled as 14569 (15 cm wide) which contained visible pyrite, galena, sphalerite and arsenopyrite. Results



include 600.0 g/t Au (17.500 oz/ton), 332.6 g/t Ag (9.70 oz/ton), 2274 ppm Cu, 6.28% Pb and 4.82% Zn as well as 175 ppm Sb. Nearby, sample 14568 yielded values of 60.0 g/t Au (1.750 oz/ton), 83.7 g/t Ag (2.44 oz/ton), 2.34% Pb, 3.06% Zn, and 8.02% As.

Results from the grid area on the central Contact 1 claim are also extremely encouraging.

Massive magnetite grab samples (14555, 14556) from Trenches F and G near the baseline of the soil grid and L5+00N intersection, containing up to 30% chalcopryrite, have returned the following concentrations: 14555 - 3.33 g/t Au (0.097 oz/ton), 2.30 g/t Ag (6.68 oz/ton), 8.48% Cu, 2308 ppm Zn, 108 ppm Ni; 14556 - 23.7 g/t Au (0.692 oz/ton), 240.7 g/t Ag (7.02 oz/ton), 8.0% Cu, 3104 ppm Zn, 497 ppm Co. The occurrences are exposed over 3 m and 1 m widths in Trenches F and G respectively.

Grab samples (14559 and 14560) were taken from a 'skarn' unit near line 1N of the grid, from Adit B. Visible mineralization included chalcopryrite, pyrite and malachite. The sampled interval is approximately 3.5 m wide. Sample 14559 returned concentrations of 40 ppb Au, 111.1 g/t Ag (3.24 oz/ton), 2.14% Cu and 296 ppm Zn and sample 14560 returned 20.6 g/t Ag (0.60 oz/ton), 6670 ppm Cu, 336 ppm Zn and only background gold (5 ppb).

A massive magnetite and sulphide zone within mafic volcanics trenched over a 2 m wide zone (Trench E samples 14571 and 14572) returned 3.22 g/t Au (0.094 oz/ton), 122.0 g/t Ag (3.56 oz/ton), 2.74% Cu, 124 ppm Pb and 1106 ppm Zn for sample 14571 of massive magnetite and 4.46 g/t Au (0.130 oz/ton), 21.25 g/t Ag (0.62 oz/ton), 1674 ppm Cu, 94 ppm Pb and 1980 ppm Pb as well as 1534 ppm Co.

A sample taken from near Trench E, consisting of a mafic volcanic with a 1 m zone of visible chalcopryrite, pyrrhotite, bornite and pyrite returned 140 ppb Au, 51.4 g/t Ag (1.50 oz/ton), and 1.52% Cu.

Sample 14573 was taken near the contact of Westcoast Complex and Tertiary Intrusions northwest of the grid on the Contact 1 claim. A 4 m wide zone of massive magnetite, grab sampled, returned concentrations of 280 ppb Au, 41.8 g/t Ag (1.22 oz/ton), and 1.04% Cu.

Samples 14597 to 14600 were taken in the central Contact 1 area near a gossanous zone which had been trenched. The rocks consist of copper mineral bearing mafic volcanics. Concentrations of up to 17.8 g/t Ag (0.52 oz/ton), and 3001 ppm Cu, 112 ppm Pb and 2.16% Zn as well as 0.01% Cd were returned from these four samples.

A calcite vein (sample 14164) from Trench A on the central Contact 1 claim returned an anomalous Ag concentration of 42.5 g/t Ag (1.24 oz/ton), and anomalous Cu (7157 ppm) as well as high background lead and zinc (52 ppm, 542 ppm respectively). A gossanous chloritic schist (sample 14170), located on the Contact 1 claim returned 34.3 g/t Ag (1.00 oz/ton), 5791 ppm Cu, and 4694 ppm Zn. A sample (14171) of massive sulphide vein (15 cm width) near a trench on Contact 1 returned 65.8 g/t Ag (1.92 oz/ton), 1.18% Cu, 204 ppm Pb and 8946 ppm Zn.

Results from two samples collected from a showing of iron-rich massive sulphides on the Contact 1 claim near the SW corner of the grid are: sample 14104 - 38.8 g/t Ag (0.98 oz/ton), 4652 ppm Cu, 300 ppm Pb, 0.05% Cd, and 12.90% Zn; and sample 14105 - 0.27 g/t Au (0.008 oz/ton), 50.7 g/t Ag (1.48 oz/ton), 2115 ppm As, 7642 ppm Cu, 282 ppm Pb, 0.03% Cd, and 6.84% Zn.



These and other anomalous lithochemical results indicate good potential for polymetallic skarn and vein-type mineralization on the Contact property.

A silver concentration of 40.0 ppm and lead concentration of 266 ppm were returned from one silt sample. Gold values for silts are only background values.

#### **Soil Geochemistry**

Soil sampling at 25 metre intervals along 3.025 line kilometres of a flagged grid with baseline oriented northeast, resulted in the collection of 129 samples from the B-horizon at an average depth of 20 cm. These samples were analyzed for Au and 30 element ICP at Rossbacher and Chemex Laboratories.

Anomalous concentrations of gold (up to 200 ppb) delineate an approximately north-northeast trending zone over a few hundred metres in length and up to 100 m wide, near the central portion of the grid.

Arsenic concentrations range from 5 to 795 ppm. Anomalous values (greater than 254 ppm As) are partly associated with high gold values in the central portion of the grid. The highest concentrations of arsenic (795 ppm), silver (2.2 ppm), lead (38 ppm), and copper (208 ppm) are localized at L0+00-0+75W. Lead and zinc concentrations are generally low with scattered anomalies; ranges are from less than 2 to 38 ppm for Pb and 4 to 184 ppm for Zn. The highest Zn value (184 ppm) occurs with high Ag values in the central portion of the grid.

In general, geochemical results have clearly defined several multi-element anomalous zones some of which are associated with high background and anomalous gold. The most significant anomalous zones appear to be in the central and in the south central portion of the grid. The fact that a large number of soil samples contain anomalous and high background concentrations of gold certainly warrants further exploration for the source.

#### **Magnetometer Survey**

A magnetometer survey using a McPhar 700 vertical field fluxgate instrument was conducted over the flagged grid at 25 m intervals. Readings were taken relative to a base level, which for Flores Island is approximately 55,600 gammas (background of 1000 gammas + total field of 54,600 gammas) which was obtained from an airborne magnetic map for this area (Mark, 1980). Values plotted are thus negative and positive in the order of hundreds of gammas, relative to 55,600 gammas.

The most significant feature of this survey is a definite 'magnetic high' over at least 200 m located near the northwest extent of Line 3N, which may be attributed to various factors including magnetite or pyrrhotite mineralization, an increase in magnetic content within mafic volcanics or intrusions or less likely topographic effects. A strong 'magnetic low' occurs to the northeast and to the southeast of the magnetic high.

An interesting low trend, which may correspond to a fault zone, runs approximately due north-south for about 350 m from near the baseline at Line 1N to the lowest reading of -645 gammas on Line 4N.

The magnetometer survey has outlined an area of interest in the form of a high in the vicinity of the soil geochemistry multi-element anomalous zone in the central portion of the grid.





### 6.0 RECOMMENDED WORK PROGRAM

#### 6.1 Plan

Geological mapping and rock sampling over the entire Contact 1, 2, 3 property, and soil sampling and magnetometer survey on a grid located in central Contact 1 claim have been completed with extremely encouraging results.

Further exploration work is highly recommended particularly on the Contact 1 claim, both in the area of the present grid and on the McNeil Peninsula.

Detailed mapping, on a photogrammetric topographic map at a scale of 1:5000, is recommended in order to locate claims, old workings, samples, and geological features more accurately.

The legal claim post of the (now lapsed) May 3 claim must be located accurately in order to determine the actual present claim boundary between the Au and Contact 1 claims on McNeil Peninsula.

Extensions of the soil sampling and magnetometer grid are recommended. Linecutting followed by geophysical surveys including IP and additional magnetometer are necessary in order to choose targets for diamond drilling.

Phase I exploration program consisting of geological mapping, sampling, and geophysical surveys (including IP) designed to define diamond drill targets followed by diamond drilling, is recommended at a total estimated cost of \$150,000. Contingent on encouraging Phase I results, Phase II exploration is to consist mainly of diamond drilling at an estimated cost of \$350,000.

#### 6.2 Budget

Phase I exploration is to consist of geological and geophysical field work, followed by diamond drilling at an estimated total cost of \$150,000.

Phase II exploration is to consist mainly of diamond drilling at an estimated cost of \$350,000.

##### Phase I

Mob/demob		\$ 5,000
Personnel	\$31,850	
Support Costs	12,550	
Equipment Rental	7,005	
Contract Services	50,000	
Analyses	<u>6,970</u>	
		108,375
Report Writing		13,825
Administration @ 15%		3,235
Contingency @ 15%		<u>19,565</u>
Phase I Total Cost, say		<u><u>\$150,000</u></u>

Phase II

Mob/demob		\$ 3,000
Personnel	\$ 55,400	
Support Costs	16,000	
Equipment Rental	1,200	
Contract Services	200,000	
Analyses	<u>14,000</u>	
		286,600
Report Writing		10,300
Administration @ 15%		4,448
Contingency @ 15%		<u>45,652</u>
Phase II Total Cost, say		<u>\$350,000</u>

**6.3 Schedule**

Phase I geology and geophysics are expected to take about two weeks, with two weeks of drilling following interpretation, for a total of approximately 6 weeks.

Phase II diamond drilling is expected to take approximately 6-8 weeks to complete.

**7.0 CONCLUSIONS**

1. The Contact 1, 2, 3 Group is underlain by a central core of Upper Paleozoic Sicker Group rocks which have been partially metamorphosed during the Mesozoic to become the Westcoast Complex metavolcanics and metavolcaniclastics. This sequence is truncated by granodiorite, diorite and quartz diorite of the Tertiary Catface Intrusions and probably also Jurassic Island Intrusions.
2. Copper, lead, zinc and arsenic mineralization with high silver and gold values is found within massive sulphides in contact metasomatic (skarn) zones, in association with massive magnetite, siliceous and epidote alteration zones and in quartz veins.
3. Copper minerals seen in hand specimen include chalcopyrite, bornite, chalcocite, and azurite and malachite. Lead and zinc minerals include galena and sphalerite. Arsenopyrite is present, and pyrite, magnetite and pyrrhotite are common.
4. Extremely anomalous gold, silver, copper, lead and zinc results have been returned from quartz veins along the western coastline of McNeil Peninsula. A grab sample taken from one 15 cm vein returned concentrations of 600.0 g/t Au (17.500 oz/ton), 332.6 g/t Ag (9.70 oz/ton), 2274 ppm Cu, 6.28% Pb and 4.82% Zn. Assay results for up to 8.02% As were returned from these veins.
5. Anomalous lithogeochemical results returned from rock samples collected in the grid area on central Contact 1 claim include values of up to 23.7 g/t Au (0.692 oz/ton), 240.7 g/t Ag (7.02 oz/ton), 8.48% Cu, 12.90% Zn and 0.05% Cd.
6. Soil sampling in the central Contact 1 claim area has returned multi-element anomalous zones including gold, silver, lead and zinc in the central grid area with an arsenic, silver, copper anomaly in the southwestern portion.



7. Silt sampling has returned favourable results for silver and lead in the northern portion of the grid from one sample (40.0 ppm Ag, 266 ppm Pb).
8. The magnetometer survey conducted over the grid has outlined a significant 'high' adjacent to a significant 'low' in the northwestern portion of the grid attributable to magnetite and/or pyrrhotite mineralization and a siliceous interval. A continuous localized 'low' running approximately north-south may represent a fault or shear zone.
9. The 1986 field work confirms the extensive history of this area as having excellent potential for mineralization, especially skarn and vein type with associated gold and silver. Further exploration for gold mineralization is warranted and strongly recommended.
10. Phase I and II geological, geophysical and diamond drilling programs are recommended at a combined estimated cost of \$500,000.

#### 8.0 RECOMMENDATIONS

The following recommendations are designed to follow up and confirm results of 1986 field work, as well as to establish additional targets of exploration:

1. Geological mapping at a 1:5000 scale using topographic base maps produced by photogrammetry to locate the various sample localities, showings, drill holes, trenches, and adits as well as the trail and claim boundaries with greater accuracy.
2. The legal claim post of the (now lapsed) May 3 claim must be located accurately in order to determine the actual present claim boundary between the Au and Contact 1 claims on McNeil Peninsula.
3. Extensive prospecting of old showings and investigation of the contact zones between Tertiary and/or Jurassic Intrusions, and rocks of the Westcoast Complex for skarn type mineralization.
4. Detailed geologic mapping, in particular the area on the west coast of McNeil Peninsula, to determine the extent of the quartz veins which yield highly anomalous gold values. Where exposure is limited, trenching and sampling these veins is recommended.
5. The existing flagged grid should be extended and resampled for geochemical analysis in areas of multi-element and gold anomalies, to confirm these results. Soil sampling over part of the McNeil Peninsula should be carried out if possible.
6. The extended grid should be geophysically surveyed by magnetometer (in areas not already covered) and IP methods.
7. Lastly, but very importantly, to carry out Phase I exploration in the summer months as this would enable most of the recommended work to proceed with maximum efficiency.

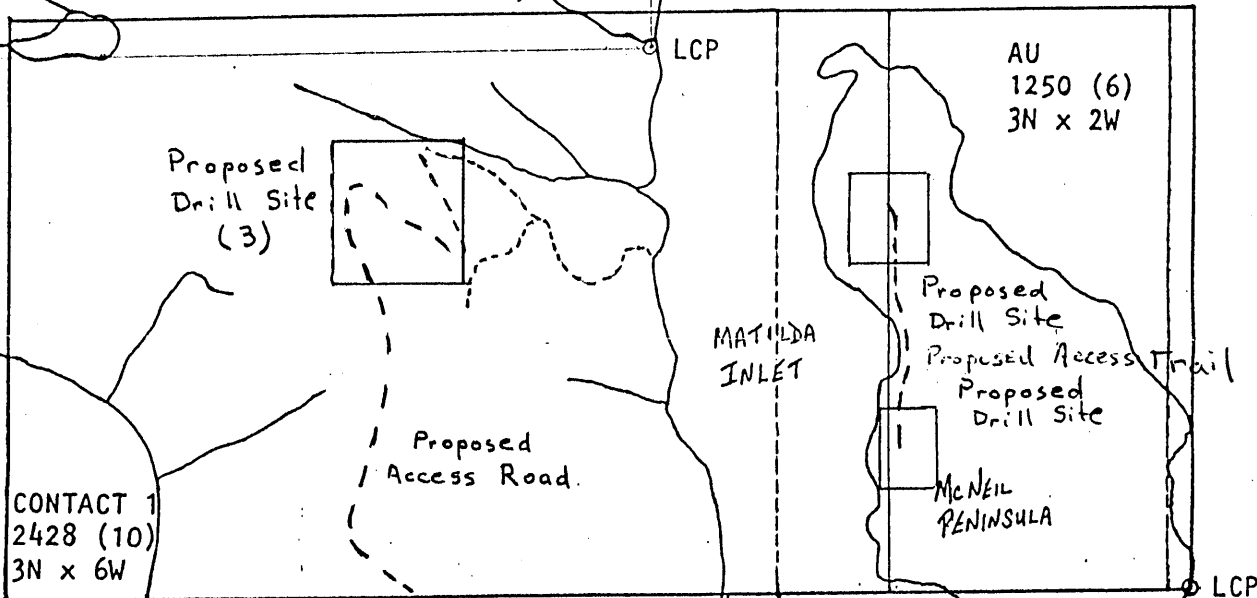
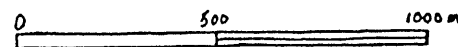


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CONTACT 2  
3005 (9)  
1N x 4W

MILLAR CHANNEL



CONTACT 1  
2428 (10)  
3N x 6W

CONTACT 3  
3006 (9)  
1N x 3W

FLORES  
ISLAND

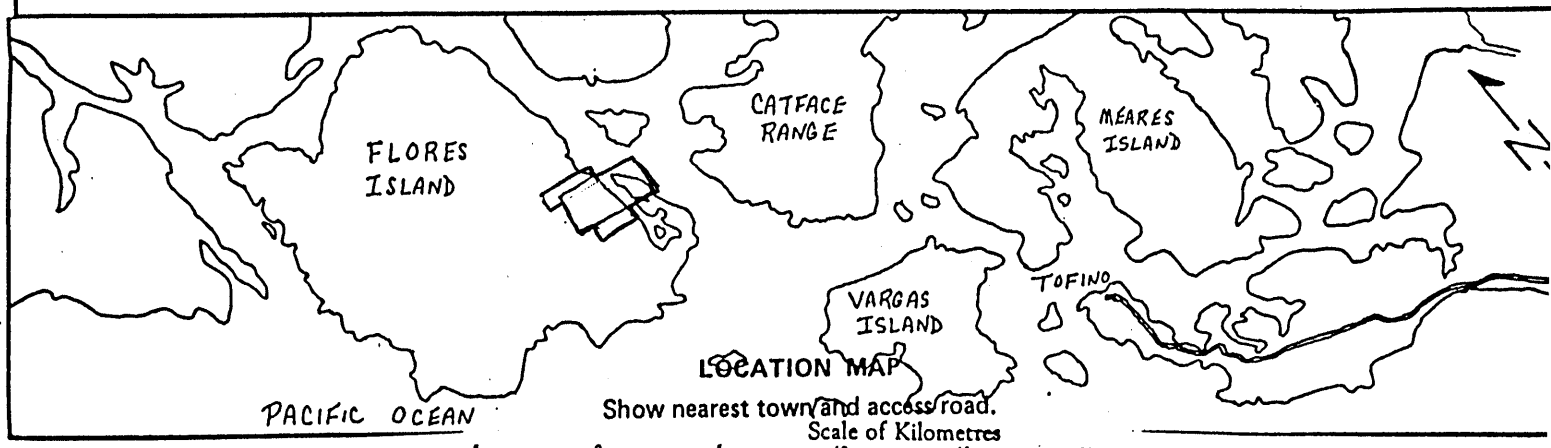
AHOUSAT

I.R.  
15

MARKTOSIS

PLAN

Indicate claim boundaries, permanent watercourses, access road and distance to nearest town, proposed surface disturbances including roads, test pits, trenches, portals, drill sites, and camp sites.



FLORES  
ISLAND

CATFACE  
RANGE

VARGAS  
ISLAND

MÉARES  
ISLAND

TOFINO

PACIFIC OCEAN

LOCATION MAP

Show nearest town and access road.  
Scale of Kilometres

