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REPORT ON THE PATERSON LAKE PROPERTY
ALBERNI MINING DIVISION,
GREAT CENTRAL LAKE AREA, BRITISH COLUMBIA

LOCATION:

N.T.S.: 92F-6E,7W
LATITUDE: 49° 20'N.
LONGITUDE: 125° 00'W.

PROPERTY FILE

092F 340

CLAIMS

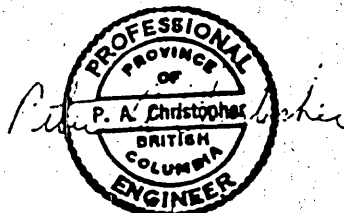
PATERSON LAKE #1 THROUGH #6

REPORT FOR

DELLATERRA RESOURCES LTD.
1013-837 WEST HASTINGS STREET
VANCOUVER, BRITISH COLUMBIA V6C 1B6

PREPARED BY

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3707 WEST 34TH AVENUE,
VANCOUVER, B.C. V6N 2K9



MAY 25, 1987

SUMMARY

The Paterson Lake Property, consisting of 72 metric units is situated near Great Central Lake, Vancouver Island, British Columbia. The property has excellent road access with a number of logging roads passing through the property. The property was acquired by Dellaterra Resources Ltd. to check a favourable geological setting for precious metal enhanced massive sulphide or tabular lodes associated with known copper showings.

This report relies heavily on the results of an initial exploration program conducted for Dellaterra on the Paterson Lake Property (Lambert and Stephen, 1987; Howell and Stephen, 1987). The writer examined the geological setting of the property and obtained check analyses of known showings. Copper values obtained during the 1987 surveys range from background to 5.91% and gold values range from <1 ppb up to 1,500 ppb. Geological, geochemical and geophysical surveys have outlined four priority exploration targets that are summarized in Figure 4 of this report. The four main target zones are the Adit Zone, Road Zone, Round Lake Zone and Swamp Zone. The Adit, Road and Round Lake zones have known copper and gold occurrences and the Swamp Zone is a coincident magnetic and Fraser Filter VLF-EM anomaly. A zone of anomalous induced polarization is open to the west of the Round Lake Zone.

The writer has outlined a staged exploration program for further testing the mineral potential of the Paterson Lake Property. A recommended Stage I program of trenching, detailed mapping, geochemical sampling and geophysical follow-up is estimated to cost \$50,000. Contingent on successful completion of the Stage I program an initial diamond drill test will be warranted. A Stage II, 1000 foot (~300 meter) drill test is estimated to cost \$50,000 and a contingent Stage III, 2500 foot (~750 meter) drill test is estimated to cost \$100,000.

INTRODUCTION

The Paterson Lake Property, consisting of the Paterson Lake one to four and Paterson Lake 6 metric claims and Paterson Lake 5 two-post claim totaling 72 units or about 1800 hectares is situated at Great Central Lake on Vancouver Island, British Columbia. The prospect was located for Herber McMaster in 1984 to cover a number of copper and gold showings and two old adits. The writer was retained by management of Dellaterra Resources Ltd. to direct and supervise exploration of the Paterson Lake Property and to outline a program of further exploration, if warranted.

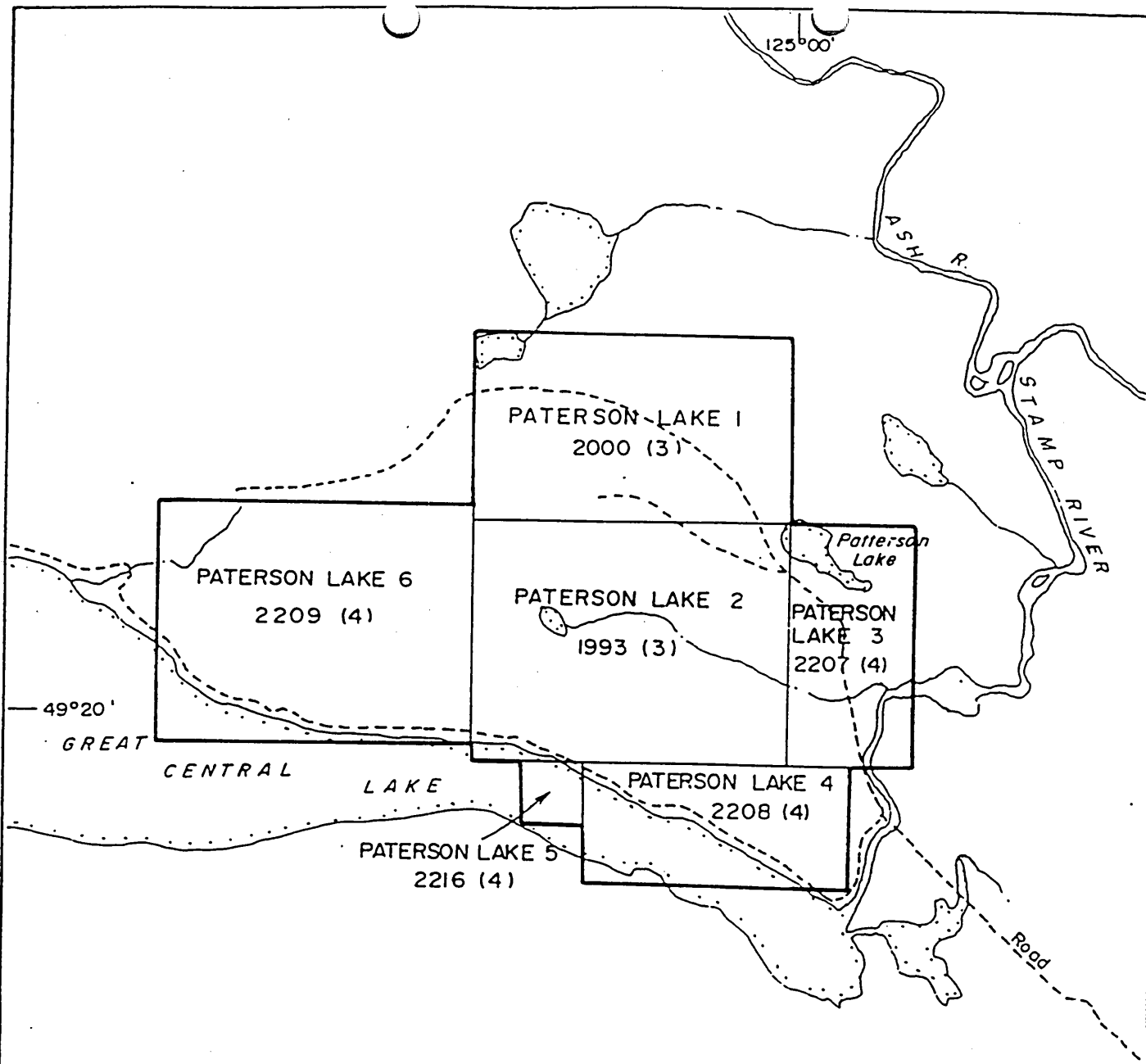
This report is based on a review of previous exploration conducted on the property and in the claim area, results of an initial exploration program conducted for Dellaterra Resources Ltd. in April and May, 1987, and a field examination of the property conducted by the writer on April 25, 1987. The writer has relied heavily on a geological and sampling report by W.A. Howell and J.C. Stephen (May 15, 1987) and a geological and geophysical report by Ellen E. Lambert and J.C. Stephen (May 15, 1987). Exploration results provide justification for further work and a staged exploration program for further development of the property is presented. A Stage I program of trenching, geochemical sampling and geophysical follow-up is warranted. Stage II and III diamond drill programs are contingent on the results of previous programs.

LOCATION AND ACCESS (Figures 1 & 2)

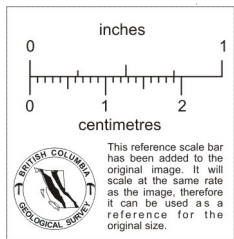
The Paterson Lake Property, under option by Dellaterra Resources Ltd. is situated at Great Central Lake, Vancouver Island, British Columbia about 20 kilometers northwest of the town of Port Alberni (Figures 1 & 2). The claims are in NTS map sheets 92F-6E and 92F-7W at geographic coordinates $49^{\circ} 20' N$. latitude and $125^{\circ} 00' W$. longitude. The Paterson Lake 1 through 6 claims are situated along the northeast shore of Great Central Lake and extend north of the lake for about 4 kilometers and west of Ash River for about 6 kilometers. Patterson Lake is covered by parts of the Paterson Lake 1, 2 and 3 claims and parts of Paterson Lake 2, 4, 5, and 6 claims extend into Great Central Lake.

Access to the property from Nanaimo is via Highway 19 and Highway 4 to Port Alberni and 13 kilometers west to the Great Central Lake Road. The Great Central Lake Road is paved for 5 kilometers before becoming McMillian-Bloedel's Ash Main logging road. A bridge crosses the Ash River at the start of the logging road and is near the southeastern corner of the claim group (Lambert and Stephen, 1987). Recent logging roads and access roads for a transmission line that traverses the claims provide ready access to most areas of the claims.

Elevations in the claim area range from 83 meters at Great Central Lake to approximately 480 meters in the western portion of the claim area. Elevations rise abruptly from the lake level to about the 400 meter level where moss covered topographic knobs with steep northeast sides occur. The knobs have cliff development with heights of 15 to 60 meters.



CLAIM LOCATIONS ARE FROM GOVERNMENT CLAIM MAP



DELLATERRA RESOURCES LTD.	
PATERSON LAKE CLAIMS	
CLAIM MAP	
N.T.S. 92F-6,7	ALBERNI M.D., B.C.
0 1 2 3 KM	
P.A. CHRISTOPHER & ASSOCIATES LTD.	
SCALE 1:50,000	MAY 1987
FIGURE 2	

PROPERTY DEFINITION (Figure 2)

The Paterson Lake Property, consisting of the Paterson Lake 1 through 6 claims totaling 72 units is situated in the Alberni Mining Division. The Paterson Lake 1 through 4 and Paterson Lake 6 claims are metric claims that were staked using the modified grid system and the Paterson Lake 5 claim is a single unit two post claim. The claims were all recorded in the name of Herbert McMaster between April 27 and March 19, 1984 with one third interests transferred by bills of sale to each of Douglas William Paterson and Sylvester E. Tresierra. Dellaterra Resources Ltd. entered into an option agreement to earn up to 100% interest in the claims in February 1987.

The common legal corner post for Paterson Lake 1 through 3 claims, examined by the writer on April 25, 1987 is located 75 meters east of the Ash Main logging road and 25 meters north of a road running along the northeast edge of Patterson Lake. The common legal corner post for Paterson Lake 4 and initial corner post for Paterson Lake 5 was located by crews conducting exploration for Dellaterra Resources Ltd. but was not examined by the writer. The legal corner post for Paterson Lake 6 is shown on the government claim map to be located along the westerly boundary of Paterson Lake 1 but the location has not been field checked. The writer recommended the staking of an additional claim north of the Paterson Lake 4 and Paterson Lake 5 claims to insure that the claims overlap.

Pertinent claim data for the Paterson Lake Property is shown in Table 1 and claim locations after British Columbia government claim maps 92F-6E and 92F-7W are shown on Figure 2.

Table 1. Pertinent Claim Data For Paterson Lake Property.

<u>Name</u>	<u>Record #</u>	<u>Units/Shape</u>	<u>Expiry</u>	<u>Record Date</u>
Paterson Lake #1	2000	15/5Wx3N	1988	March 19, 1984
Paterson Lake #2	1993	20/5Wx4S	1988	March 9, 1984
Paterson Lake #3	2207	8/2Ex4S	1988	April 27, 1984
Paterson Lake #4	2208	8/4Ex2S	1988	April 27, 1984
Paterson Lake #5	2216	1/2 post	1988	April 27, 1984
Paterson Lake #6	2209	20/5Wx4S	1988	April 27, 1984

HISTORY

The Paterson Lake Property was staked for Herbert McMaster in March and April of 1984 to cover two short adits and several known copper-gold occurrences. After recording of the Paterson Lake claims, one third interests were transferred by bills of sale to each of Douglas William Paterson and Sylvester E. Tresierra. No published record of the mineral occurrences is known to exist, but a private report dated February 6, 1986 was prepared by D.V. Lefebure for Corporation Falconbridge Copper.

Dellaterra Resources Ltd. entered into an option agreement to earn up to 100% interest in the claims in March 1987. A work program was conducted by Main Explorations Ltd. in March and April, 1987 with one year assessment work filed to maintain the claims. The work program included grid construction, geological mapping at a scale of 1:5,000, rock sampling, and VLF-EM, magnetic and induced polarization surveys with a total cost of \$ 65,830. The writer examined the property and reviewed the work programs with Mr. J.C. Stephen on April 25, 1987.

REGIONAL GEOLOGY (Figures 3, 4 & 5)

The Paterson Lake Property is situated in the Insular Tectonic Belt of the Canadian Cordillera. The region around the Paterson Lake Property is shown by Muller (1977) to be underlain by Triassic Vancouver Group rocks and granodioritic rocks of the Island Intrusions. The claim area is shown to be underlain by Triassic Karmutsen volcanic. The Karmutsen Formation unconformably overlies the Pennsylvanian and/or older Sicker Group or is separated from the Sicker Group by a sediment-sill unit at the base of the Vancouver Group. The Sicker Group is known to contain precious metal enhanced massive sulphide deposits at Buttle Lake, Mt. Sicker and in the China Creek area.

The Triassic Karmutsen Formation which underlies a major portion of Vancouver Island is up to 6300 meters thick. The unit consists mainly of tholeiitic volcanic rocks which have been divided into a lower pillow lava member, a middle pillow breccia and aquagine tuff member and an upper massive flow member.

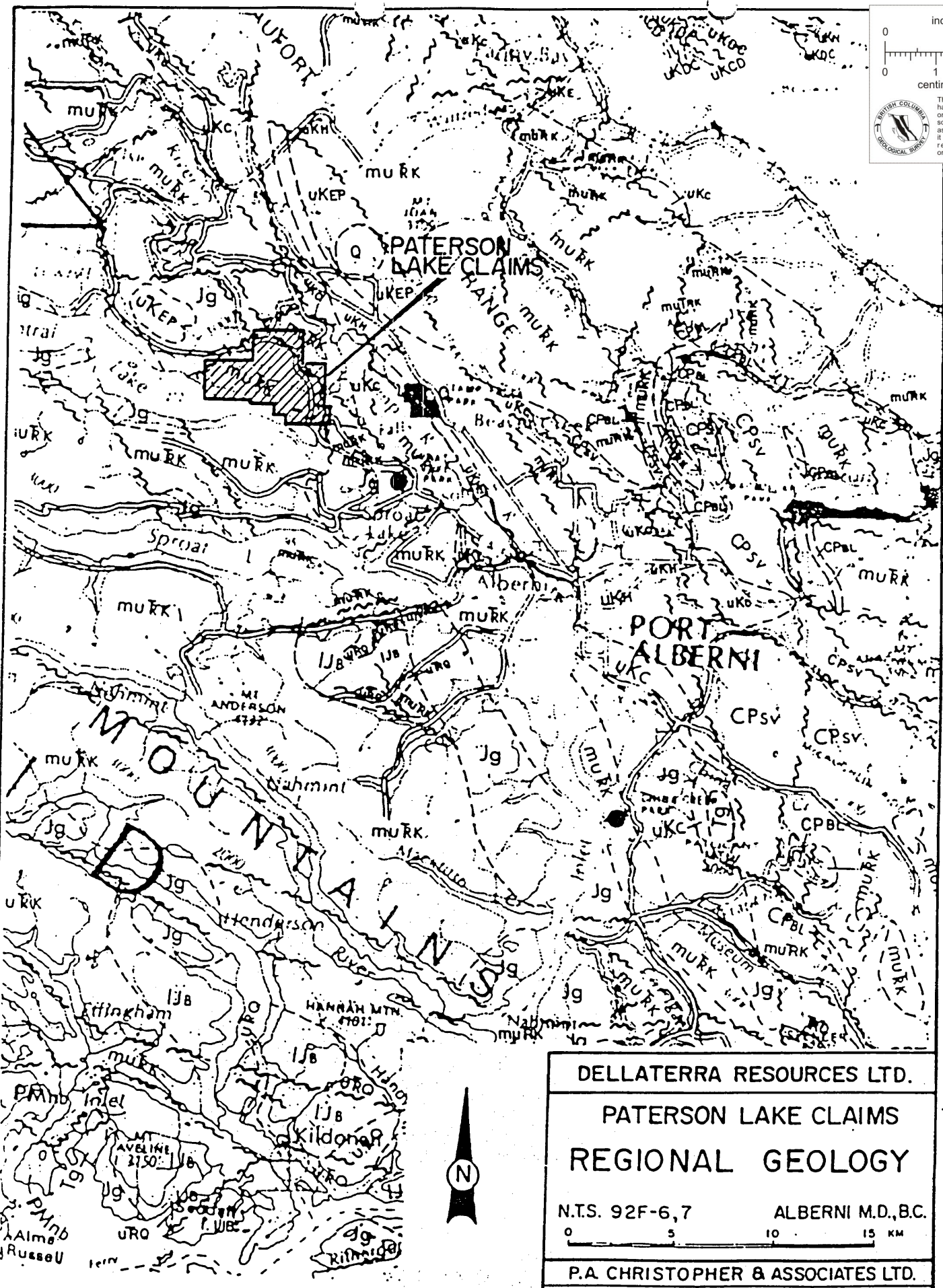
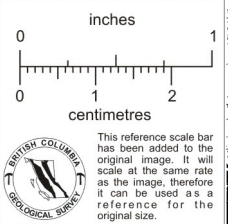
The Jurassic Island Intrusions are mainly granodioritic with lesser granite and quartz monzonite. The Island Intrusions cut both the Karmutsen volcanics and Sicker Group rocks.

The entire area has been glaciated which has resulted in outcrops with smooth surfaces and variable thickness of glacial till.

PROPERTY GEOLOGY (Figure 6)

The geology of the Paterson Lake Property has been mapped by Lambert and Stephen (1987) with a summary of their work shown on Figure 6. The Paterson Lake claims are mainly underlain by Karmutsen basaltic lavas with a granodiorite intrusion exposed along road cuts in the western portion of Paterson Lake 6 claim. The contact between the granodiorite body and the Karmutsen volcanics is obscured by a broad valley filled with Quaternary alluvium and glacial till. Hornblende porphyry and diorite dykes, probable offshoots of the granodiorite body cut the volcanics.

The Karmutsen volcanics, consisting of basaltic lava flows, pillow lavas, massive and porphyritic flows and associated tuffs are believed to be part of the middle and upper members of the Karmutsen volcanics. Weak evidence indicates north to northwest strikes and shallow dips for the flow units.



DELLATERRA RESOURCES LTD.
PATERSON LAKE CLAIMS
REGIONAL GEOLOGY
N.T.S. 92F-6,7 ALBERNI M.D., B.C.
0 5 10 15 KM
P.A. CHRISTOPHER & ASSOCIATES LTD.
SCALE 1:250,000 MAY 1987 FIGURE 3



FROM G.S.C. O.F. 463

TABLE OF FORMATIONS OF VANCOUVER ISLAND

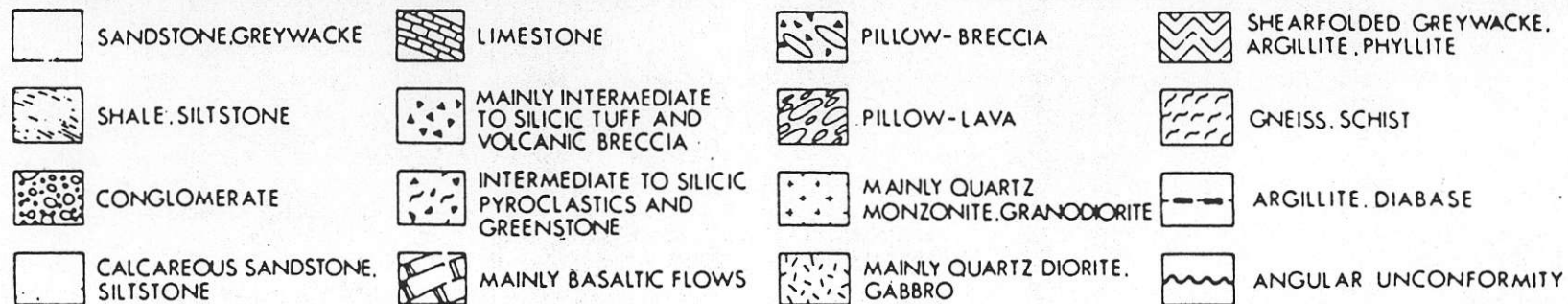
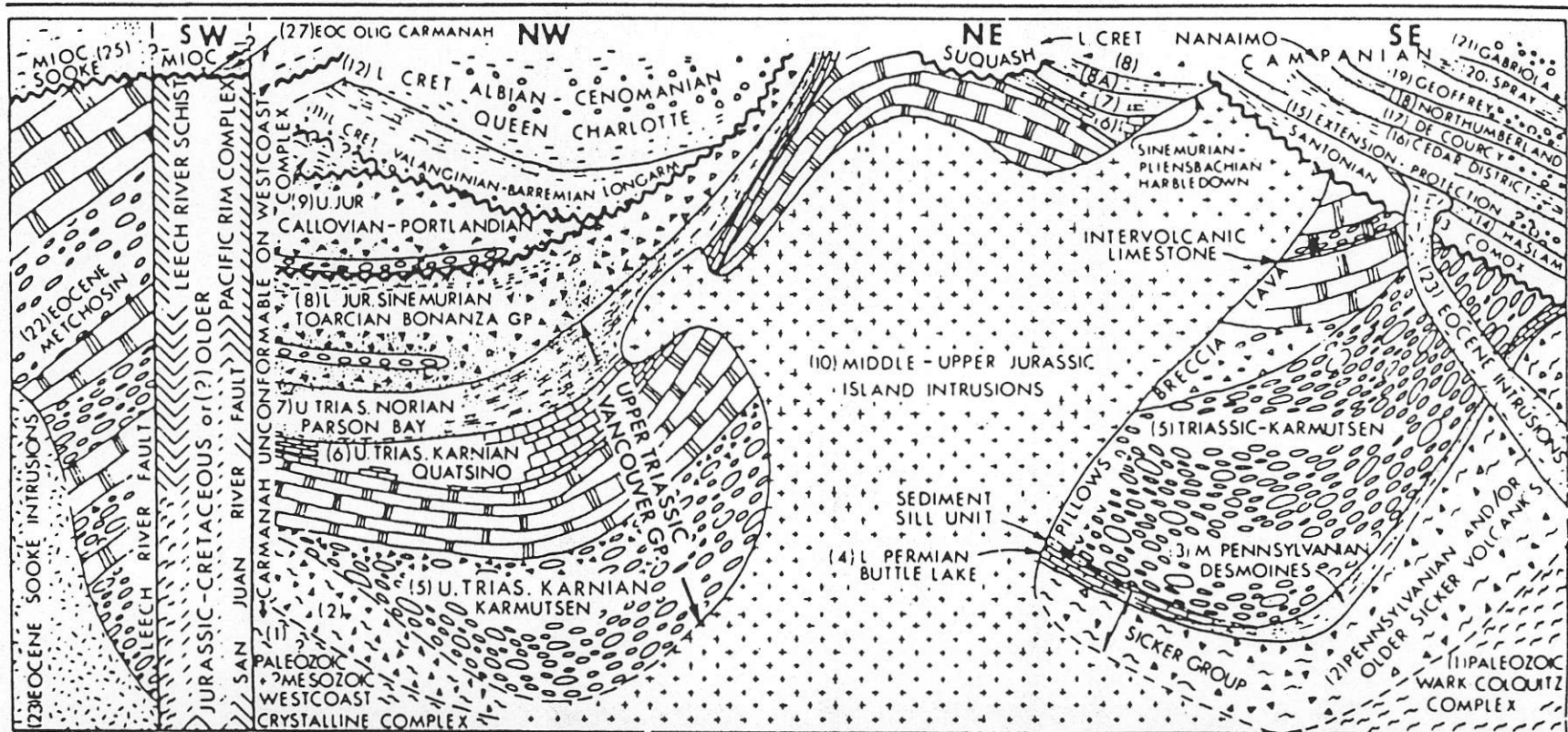
SEQUENTIAL LAYERED ROCKS

CRYSTALLINE ROCKS, COMPLEXES OF POORLY DEFINED AGE

	PERIOD	STAGE	GROUP	FORMATION	SYM-BOL	AVERAGE THICKNESS IN M. ±	LITHOLOGY	NAME	SYM-BOL	ISOTOPIC AGE		LITHOLOGY										
										Pb/U	K/Ar											
CENOZOIC	EOCENE to OLIGOCENE	early EOCENE		late Tert. volc's of Port McNeill	Tvs																	
				SOOKE BAY	mpTsb		conglomerate, sandstone, shale															
				CARMANAH	eoTc	1,200	sandstone, siltstone, conglomerate															
				ESCALANTE	eTf	300	conglomerate, sandstone															
					METCHOSIN	eTm	3,000	basaltic lava, pillow lava, breccia, tuff	SOOKE INTRUSIONS silicic basic METCHOSIN SCHIST, GNEISS	Tg Tgb Tmn	32-59 31-49 47	quartz diorite, trondhjemite, agmatite, porphyry gabbro, anorthosite, agmatite chlorite schist, gneiss, amphibolite										
	MESOZOIC	LATE	CAMPANIAN	NANAIMO	GABRIOLA	uKGA	350	sandstone, conglomerate	LEECH RIVER FM.	JKL												
					SPRAY	uKS	200	shale, siltstone														
					GEOFFREY	uKG	150	conglomerate, sandstone														
					NORTHUMBERLAND	uKN	250	siltstone, shale, sandstone														
					DE COURCY	uKOC	350	conglomerate, sandstone														
CEDAR DISTRICT					uKCD	300	shale, siltstone, sandstone															
EXTENSION - PROTECTION					uKEP	300	conglomerate, sandstone, shale, coal															
HASLAM					uKH	200	shale, siltstone, sandstone															
COMOX					uKC	350	sandstone, conglomerate, shale, coal															
PALEOZOIC					EARLY	CENOMANIAN	QUEEN	conglomerate unit						IKac	900	conglomerate, greywacke	PACIFIC RIM COMPLEX	JKP				
	ALBIAN	CHARLOTTE	siltstone shale unit	IKop				50	siltstone, shale													
			VALANGINIAN	LONGARM				IKL	250	greywacke, conglomerate, siltstone												
	TRIASSIC	MID	LADINIAN	VANCOUVER				TITHONIAN	uJS	500	siltstone, argillite, conglomerate	ISLAND INTRUSIONS WESTCOAST silicic COMPLEX basic	Jg PMns PMnb	264	141-181 263-192	greywacke, argillite, chert, basic volcanics, limestone granodiorite, quartz diorite, granite, quartz monzonite quartz-feldspar gneiss metaquartzite, marble hornblende-plagioclase gneiss, quartz diorite, agmatite, amphibolite						
								TOARCIAN?	BONANZA	IJB	1,500											basaltic to rhyolitic lava, tuff, breccia, minor argillite, greywacke
	TRIASSIC	LATE	KARNIAN	VANCOUVER				FLIENSCHACHIAN	IJH		argillite, greywacke, tuff	TYEE INTRUSIONS COLQUITZ GNEISS WARK DIORITE GNEISS	Pg Pns Pnb	>390 >390	163-182	metagranodiorite, metaquartz diorite, metaquartz porphyry quartz feldspar gneiss hornblende-plagioclase gneiss quartz diorite, amphibolite						
								NORIAN	PARSON BAY	uRPB	450											calcareous siltstone, greywacke, silty limestone, minor conglomerate, breccia
								KARNIAN	QUATSINO	uRo	400											limestone
								KARNIAN	KARMUTSEN	muRk	4,500											basaltic lava, pillow lava, breccia, tuff
								LADINIAN	sediment-sill unit	Rds	750											metasiltstone, diabase, limestone
LADINIAN					BUTTLE LAKE	CPBl	300	limestone, chert														
TRIASSIC	EARLY	NORIAN	SICKER	sediments	CPss	600	metagreywacke, argillite, schist, marble															
				volcanics	CPsv	2,000	basaltic to rhyolitic metavolcanic flows, tuff, agglomerate															
				Upper Jurassic sediment unit	uJS	500	siltstone, argillite, conglomerate															
				volcanics	IJB	1,500	basaltic to rhyolitic lava, tuff, breccia, minor argillite, greywacke															

**DELLATERRA RESOURCES LTD.
LEGEND FOR REGIONAL GEOLOGY**

RELATIONSHIPS OF FORMATIONS OF VANCOUVER ISLAND



DELLATERRA RESOURCES LTD.

Six rock types were identified by Lambert and Stephen (1987) and grouped into two map units: 1) pillow lavas, flow top breccias and fragmentals and 2) porphyritic basalt and tuff.

Intrusive rocks on the property consist of a coarse grained granodiorite body with feldspar, biotite, quartz and hornblende, and a hornblende-feldspar porphyry dyke rock with phenocrysts consisting of needles of black hornblende and white, square feldspars in an aphanitic, bluish green, groundmass. The granodiorite occurs in the western part of the Paterson Lake 6 claim with hornblende-feldspar porphyry dykes from 1 meter to 5 meters in width cutting Karmutsen volcanics.

A number of pronounced east-west to northwesterly trending linear zones are apparent on aerial photos. The trend reflects long, narrow valleys that are assumed to be fault zones. Some dykes have shears along their margins and the main structural trends are present as shears and faults at known mineral showings.

MINERALIZATION

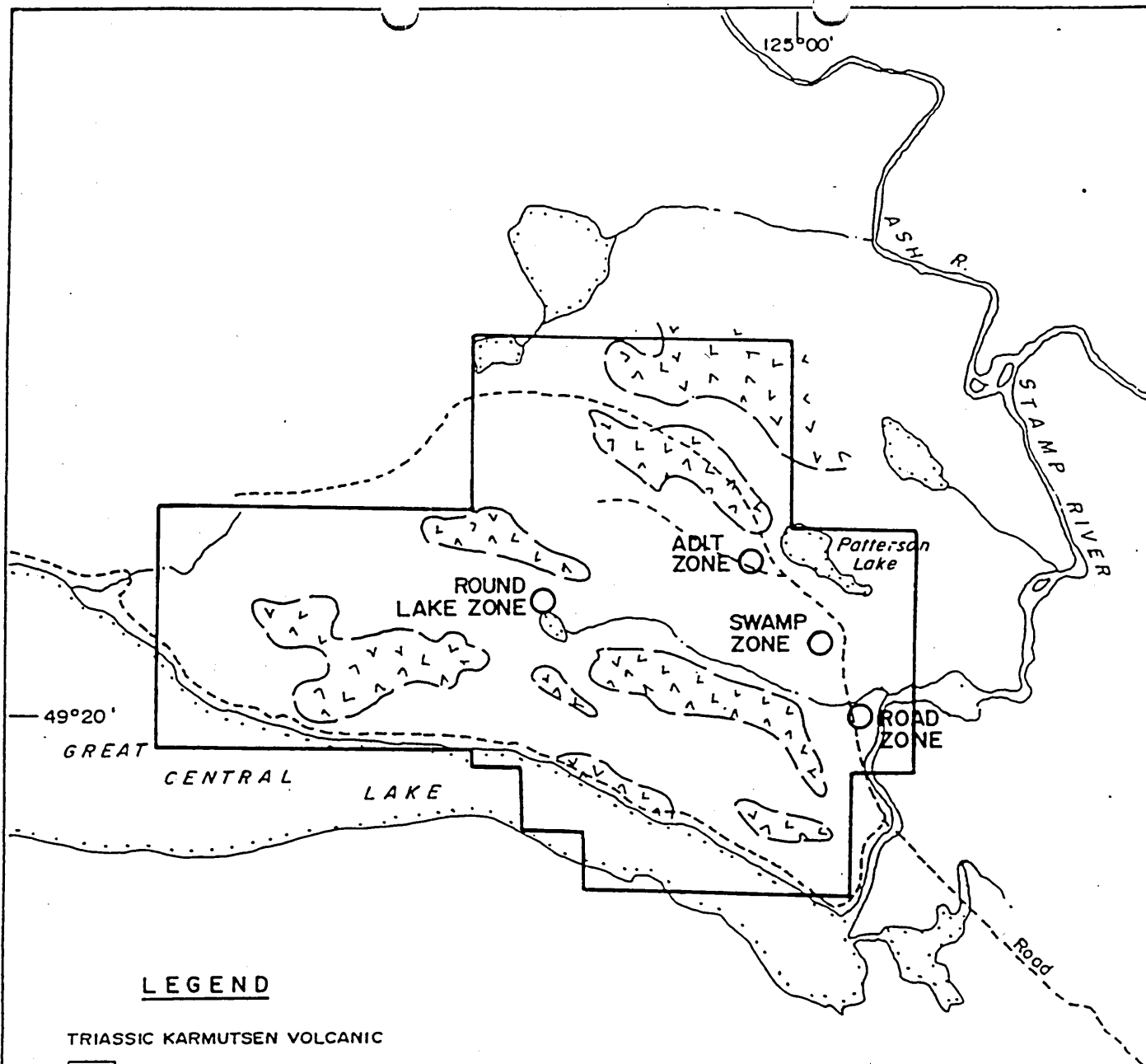
Mineralization on the Paterson Property consists of malachite, azurite, chalcopryite, bornite and pyrite in narrow shear zones, quartz breccias and small quartz veins. Three target zones with visible copper mineralization and associated anomalous gold geochemical values have been identified. Mineralized target zones (Figure 6) include the adit zone, road zone and Round Lake zone.

In the adit zone, two short adits occur along a strong east-west linear trend that extends easterly from Mud Lake. Chalcopryite, bornite, malachite, and azurite occur over 10 feet of siliceous volcanics and chloritic shear zone. Assay values range up to 5.91% copper with associated gold values up to 440 ppb.

Epidote-altered tuffaceous basalt on Branch Road 79 above Round Lake contains minor chalcopryite, pyrite and malachite (Round Lake Zone). Assay results range from 5000 ppm to 3.21% copper and from 2 to 1500 ppb (assay check 0.030 oz/ton) gold. The zone is enhanced by the fact that IP line 28E, closest line to the showing indicated two weakly anomalous zones which are open to the west (Lambert and Stephen, 1987).

The road zone occurs along the main access road south of the Thunder Bay road turn off where a 3 foot shear zone at the east margin of a pit assayed 2.09% copper, <0.002 oz/ton gold and 0.051 oz/ton silver (Howell and Stephen, 1987).

The strongest gold response was from quartz float sample 63 which assayed 0.042 oz/ton gold. The sample is from a logging road landing southeast of Round Lake. Additional prospecting is required to determine the significance of the sample. Quartz breccia was also observed in two small pits along Branch 77 logging road. Brecciated tuffaceous basalt with drusy quartz, chalcopryite, bornite and malachite is exposed along a 4 meter wide zone trending 85-90°. Assay results range from 57 to 3900 copper, 2 to 61 ppb gold and 0.1 to 0.8 ppm silver (Lambert and Stephen, 1987).

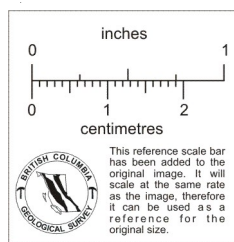



LEGEND

TRIASSIC KARMUTSEN VOLCANIC

-  Pillow basalt
-  Massive basalt

-  Target area



DELLATERRA RESOURCES LTD.		
PATERSON LAKE CLAIMS		
TARGET AREAS		
N.T.S. 92F-6,7	ALBERNI M.D., B.C.	
		
P.A. CHRISTOPHER & ASSOCIATES LTD.		
SCALE 1: 50,000	MAY 1987	FIGURE 6

DISCUSSION

The initial geological, geochemical and geophysical evaluation of the Paterson Lake Property (Howell and Stephen, 1987; Lambert and Stephen, 1987) have been successful in defining four target zones (Figure 6). The Road Zone, Adit Zone, and Round Lake Zone have known copper and gold showings with the Round Lake Zone also supported by anomalous induced polarization results. The Swamp Zone is situated along a topographic linear which passes through the Adit Zone. The Swamp Zone is a combination of a VLF-EM Fraser Filter anomaly and a magnetic anomaly (low) with the coincident geophysical anomalies representing a priority exploration target.

Property geology indicates that east-west and northwesterly structural zones influence the location of mineralization on the Paterson Lake Property. The structure should pass through the underlying Sicker Group rocks which are known hosts for precious metal enhanced massive sulphide deposits (Twin J, Western Mines) and structurally controlled auriferous quartz-carbonate zones (Yellow Creek). Surface showings may be remobilized expressions of larger mineralized zones that occur at or below the unconformity between Vancouver Group rocks (Karmutsen volcanics) and the Sicker Group. Induced Polarization or pulse electromagnetic methods surveys might indicate stronger mineralized zones at depth.

CONCLUSIONS AND RECOMMENDATIONS

The initial exploration program conducted for Dellaterra Resources Ltd. on the Paterson Lake Property has been successful in defining four priority target zones for follow-up with detailed geological, geochemical, and geophysical surveys to define areas for trenching. The Stage I program has an excellent chance of locating initial drill targets in each of the target zones.

The writer has outlined a staged exploration program for further testing the mineral potential of the Paterson Lake Property. A recommended Stage I program of trenching, detailed mapping, geochemical sampling and geophysical follow-up is estimated to cost \$50,000. Contingent on successful completion of the Stage I program an initial diamond drill test will be warranted. A Stage II, 1000 foot (300 meter) drill test is estimated to cost \$50,000 and a contingent Stage III, 2500 foot (750 meter) drill test is estimated to cost \$100,000. Cost Estimates for the staged program follow:

COST ESTIMATES

Stage I. Geological, Geochemical, Geophysical Follow-up & Trenching.

Mobilization/Demobilization	\$ 1,000
Grid Preparation	5,000
Geophysical Follow-up (IP, VLF-EM, Magnetics)	20,000
Geochemical Sampling	5,000
Geological Mapping	10,000
Reporting	4,000
Contingency	5,000
Stage I total	<u>\$ 50,000</u>

BIBLIOGRAPHY

Howell, W.A. and Stephen, J.C., 1987. Geological and Sampling Report on the Paterson Lake 1 - 6 Mineral Claims. for Dellaterra Resources Ltd. dated May 15, 1987.

Lambert, Ellen E. and J.C. Stephen, 1977. Geological, Geophysical Report on the Paterson Lake 1 - 6 Mineral Claims for Dellaterra Resources Ltd. dated May 15, 1987.

Muller, J.E., 1977. Geology of Vancouver Island. G.S.C. Open File 463.