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SMF Consolidated Sea Odd Corp. 1268.2

GEOLOGICAL REVIEW REPORT

ON THE

YAK AND XAVIER CLAIMS

LOCATED IN THE

OSOYOOS MINING DIVISION

NORTH OF

HEDLEY, B.C.

possibly assoc. To Toronto showing

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092HSE065

PROPERTY	:	4 Km due North of Hedley, B.C. 49°25' N Latitude 120°05' W Longitude N T S 92H8E
WRITTEN FOR	:	Consolidated Sea Gold Corporation Ste. 1140 - 625 Howe St., Vancouver, B. C. V6E 2S1
WRITTEN BY	:	M. R. Sanford, Geologist Box 225, Hedley, B. C. VOX IKO
DATED	t	AUGUST 8, 1986

I INTRODUCTION:

On July 21, 1986, the writer was asked by Mr. C. Underhill on behalf of Consolidated Sea Gold Corp. to examine the Yak, and Xavier claims, and to review existing documents and records with a view to proposing a plan for the expeditious exploration of the property in question. On July 27th, 1986, the author spent one day examining the property, and has since reviewed existing maps and reports of the property. The following report is a summary of his findings.

II PROPERTY, LOCATION, AND ACCESS:

The south east corner of the property is located 4Km due north of the town of Hedley, B. C. and lies on Hedley Creek. It is comprised of 2 claim blocks encompassing 600 hectares as follows:

YAK , record #2467, $5N \times 4W - 20$ UNITS, 500 ha. XAVIER-2, record #2463, $2N \times 2W - 4$ UNITS, 100 ha.

Both of these claims expire on July 14th, 1988. The eastern boundary intersects two Crown-granted mineral claims owned by Mascot Gold Mines Ltd., and the Xavier claim block surrounds a Crown-granted mineral claim also owned by Mascot.

The property has excellent drainage by several creeks that flow through the property. McNulty Creek cuts through the north claim boundary and flows south easterly to join Hedley Creek on the eastern claim boundary. Several tributaries carry water from the elevated western part of the property into both McNulty and Hedley Creeks.

The elevation of the property ranges from 4500 feet in the south west to 2300 ft. in the south east. Much of the property in the south east corner is comprised of bluffs and very steep slopes.

Access to the property can be gained by either the McNulty Creek logging road which runs to the west of the property and cuts through the North-west corner, by foot along the old road up Hedley Creek that originates in Hedley which accesses the south-east corner of the property, or by the four-wheel drive logging road into Hedley Creek from Nickel Plate Lake. Access to most of the central part of the property is achieved only by foot.



III PROPERTY HISTORY:

Little detailed geological exploration has been performed on this property, as judged from historical records and the author's observations. The property has been mapped at a reconnaissance scale several times since the turn of the century, by Camsell in 1910, Bostock in the 1930's, and by Rice in 1947. It is presently being remapped at a reconnaissance scale by the B. C. Department of Mines.

Several very old pits observed by the writer attest to prospecting efforts of the past.

IV REGIONAL & LOCAL GEOLOGY:

The property is underlain by three major rock types. To the north and making up roughly two-thirds of the property, is granite. It is medium grained and siliceous, having few sulphides, and on the whole being fresh and unaltered in appearance. It is thought by this writer to be unencouraging in terms of exploration.

To the south of the granite lies thinly-bedded limestones and argillites of the Hedley Formation. These rocks display considerable hornfelsing, and locally, skarnification and sulphide development (pyrite and pyrrhotite). It is in these rocks that the ore bodies of the Nickel Plate and Mascot Mines lie, some 4½ Km to the east.

Along the extreme south boundary of the property runs the northern contact of an east-west oriented diorite. This is a mafic, medium to fine grained intrusive stock of variable composition and texture, and is thought to be part of the system of Hedley Diorites. The Toronto Stock, lying 2 Km to the south east has been shown to be the source of the mineralizing fluids responsible for the Nickel Plate and Mascot ores. More intense skarnification, silicification, and alteration to marble of the Hedley Formation adjacent to this diorite leads the writer to believe that this diorite is of the same system as the Toronto Stock and may well have had the same mineralizing effect upon the limestones and argillites on the property.

Considerable dioritic float was noticed in Hedley Creek upstream from the main sediment-diorite contact that lies along the southern boundary of the property, and may indicate diorite sills or dykes within the Hedley Formation. On the Nickel Plate-Mascot properties to the east, these sills and dykes played a critical role in preparing the ground and possibly transporting the gold mineralization into the ore zone. are the condition of the second distribution of the second second second second second second second second se

IV REGIONAL & LOCAL GEOLOGY (cont.)

In the Hedley area, gold bearing mineralization often accompanies the stratigraphic horizon in the Hedley Formation immediately below a widespread conglomerate/breccia variously called the Copperfield Breccia, (Billingsley, Hume, 1941) in the vicinity of the Nickel Plate and Mascot mines, and the Henri Creek conglomerate (Ray, 1985) in the vicinity of Banbury Gold Mines property. To the north of the Similkameen River in and across from Banbury this unit is well exposed and strikes north-north-westerly. Although the author did not see this unit on his visit to the property, in his opinion detailed geological mapping is likely to reveal it. See page 4.

V DISCUSSION, INTERPRETATION, CONCLUSIONS:

The property, in this writer's opinion, has considerable exploration potential. On his visit to the property he identified many of the key geological elements that formed the controls for gold ore mineralization. These are, in order of importance:

1. A favourable stratigraphic sequence, i.e. the Hedley Formation. This has been shown to be a receptive host rock for gold bearing ore bodies in the Hedley region, and has provided the structure and chemistry conducive to gold mineralization.

2. a stock of Hedley Diorite bordering the property to the south. Other diorites in the area have been shown to be the source of mineralizing fluids and responsible for ore zones of economic importance (Nickel Plate and Mascot Gold Mines) and other zones of economic potential (Banbury Mine, French Mine, Amalgamated Mine).

3. possible proximity to the Copperfield Breccia-Henri Creek Conglomerate horizon. As stated previously in this report, this boundary between the stratigraphically lower Hedley Formation (limestones and mudstones) and the Whistle Creek Formation (volcaniclastic package-typically lacking in limestones) seems to be a productive zone in terms of gold mineralization in the Hedley camp. Possibly this horizon represents a zone of structural weakness or, more probably, of general lithologic incompetence in which the Hedley Diorites were emplaced.

DISCUSSION, INTERPRETATION, CONCLUSIONS (cont.)

4. possible presence of smaller Hedley Diorite sills or dykes. This is indicated by the diorite float found upstream and hence topographically higher than the main sediment-diorite contact occupying the south boundary of the property. These dykes, as stated previously, are probably opening and preparing the country rock for gold mineralization.

H. S. Bostock, in summarizing his work in the Hedley area had the following to say about the ground presently covered by the Consolidated Sea Gold property:

> "... the area on the west side of Hedley Creek contain strata similar to those of the Hedley Formation which have proved receptive to mineralization." 1937

Gerry Ray, presently mapping the area for the B.C. Department of Mines, Energy & Petroleum Resources notes intense local skarnification in the area of the property, and maps the sediments in the area as the Hedley Formation.

In conclusion, the writer is of the opinion that the ground covered by the Yak& Xavier claims are geologically promising and that a careful study of the property may well indicate areas of economic potential.

VI RECOMMENDATIONS:

A comprehensive three-phase exploration program is recommended for the property beginning at a grass roots level.

Phase I

- 1. Grid establishment: A grid with 100 m lines and 50m stations should be established over the southern half of the property.
- 2. Geological mapping, prospecting and sampling: The entire property should be mapped at a scale of 1:2500. Samples of all skarns, mineralized quartzcarbonate structures, gossans, mineralized diorites and float from old trenches and pits should be collected and sent for assay. Analyses should be done for the following elements:

Au, Ag, As, Co, Cu, Zn, Pb

VI RECOMMENDATIONS (cont.)

- 3. Soils geochemistry: The entire southern half of the property should be sampled at a 100m x 50m grid spacing. These samples should be taken from the "B" soil horizon if possible, and should be analysed for Au, Ag, As, Co, Cu, Zn, Pb.
- 4. Mag and VLF surveys: Should be done on E-W grid lines 100m apart with a 25m station spacing, as the dominant trend in the sediments is N-S, and should cover the entire southern half of the property.

It should be noted that geochemical and geophysical surveys will be difficult, if not impossible in the area of bluffs, and thorough prospecting mapping the base and the top of the bluffs will be of utmost importance in these areas.

Phase II

- 1. Follow-up soils geochemical survey: where trends in the soils have delineated anomalies, a followup survey should be done on 50m lines that run normal to the axis of anomaly, with 25 m stations on the lines.
- 2. I. P. survey: should be completed if the soils geochem or geophysical surveys conducted in Phase I outline anomalous zones. It will not be possible to carry out the I. P. survey in the area of the bluffs. The I. P. survey should be done on 100 m lines.
- 3. Trenching: Anomalies of significance should be trenched. It will be necessary to use a dozer and a back-hoe, as access within the property is limited. The trenches should be shovelled out and washed down with water.

Phase III

1. Contingent on the results of the first and second phases of exploration, diamond drilling may be warranted. The initial phase of drilling should be concentrated on structures that are defined by Phase I and Phase II work, paying close attention to the geological controls as set forth earlier in this report. The total initial drilling program should comprise 500m and the core size should be NQ.