Province of British Columbia

Ministry of Energy, Mines and Petroleum Resources

MEMORANDUM

To: ADMM

92ISE160

Date: August 16, 1985

Our File: 010719

Bill - sent to ADMM
- copy to Ron

Re: Rey Lake Copper Deposit under option to Tracer Resources Corp - MDI 92I SE 160

Location

Rey Lake copper-molybdenum deposit adjoins Rey Lake on the south. Rey Lake is southeast of Mamit Lake, 16 miles north-northeast of the town of Merritt in Nicola mining division (NTS 92I/7E).

Background

The propery, under option to Tracer Resources Corp., was last visited by a staff geologist in 1973 and is written up in GEM, 1973 (McMillan, pp. 181-184). Work in 1972 and 1973 was done by Asarco; they mapped the geology, put in 12 diamond-drill holes (5622 feet), drilled 39 percussion drill holes (9040 feet), and did some trenching. The attached map shows the general geology, drill hole locations, and location of an age date sample analysed by the Ministry. Further work was done on the property by Craigmont Mines Ltd. in 1974 and 1975.

Geologic Setting

The general geology is outlined in the attached short report by McMillan. In summary, mineralization occurs as disseminations and veinlets in a 67 million-year-old quartz monzonite stock and in a 200 million-year-old metamorphosed and brecciated volcanic and sedimentary rocks adjacent to the stock. Sulphide minerals are chalcopyrite, molybdenite, and pyrite. Alteration minerals are quartz, sericite, calcite, k-feldspar, and zeolite. To the south, the stock is elongated northward parallel to layering in the volcanic/sedimentary succession; near Rey Lake elongation is northwest, parallel to Rey Creek, which may follow a prominent fault zone. The breccias carry both granitic and volcanic clasts; they are probably of intrusive origin. ASARCO concluded that the tonnage potential of the deposit was limited (Assessment Report 4846 and discussions by McMillan with ARSARCO geologists).

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Reserves

Company reserve estimates include drill indicated reserves of 22 700 000 tonnes containing 0.23% Cu and 0.023% Mo (George Cross Newsletter, 1980), and probable reserves of 51 million tonnes containing 0.17% Cu and 0.18% Mo, with a strip ratio of 1.12:1.

W.R. Smyth