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GEOLOGICAL REPORT

ZEBALLOS AREA, BRITISH COLUMBIA
ON BEHALF OF
NEW PRIVATEER MINE LTD. (N.P.L.)

012546

By:

L.J. Siega, B.Sc., P. Geol.

January 28, 1972

Claims: Privateer No. L1042
Fern Hill MC
Privateer L1040
Privateer #3 L1041
Garbo MC L1030
Garbo #2 L 1861
Trygg MC

Location: Approximately 200 air miles N.W. of Vancouver and 4
miles North of Zeballos. Lat. 50° 1' Long. 126° 48'

Dates: October 20 - October 25, 1971

November 22 - December 7, 1971

24 Grandville Avenue,
St. Albert, Alberta.
January 28, 1972.

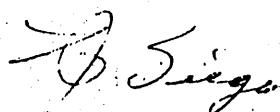
Mr. Emil Shaw,
Director,
New Privateer Mine Ltd. (N.P.L.)
736 Granville Street,
Vancouver 2, B.C.

Dear Mr. Shaw:

Permission is hereby granted New Privateer Mine Ltd. to use all or any part of the information contained in the Geological Report on the Uebell Zone.

Permission to use, includes any and all purposes, provided the officers of the above Company consider the information to be in the best interests of the Company.

Yours truly,



L.J. Siega (B.Sc., P. Geol.)

LJS/ojk

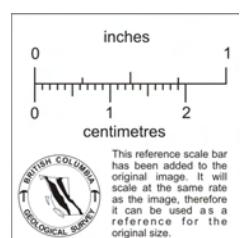
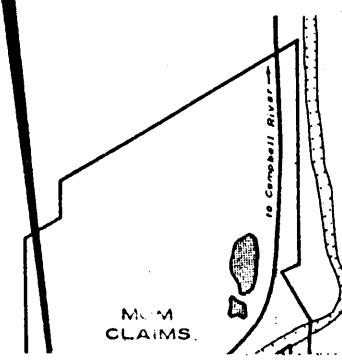
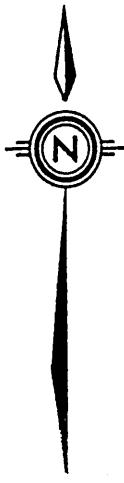
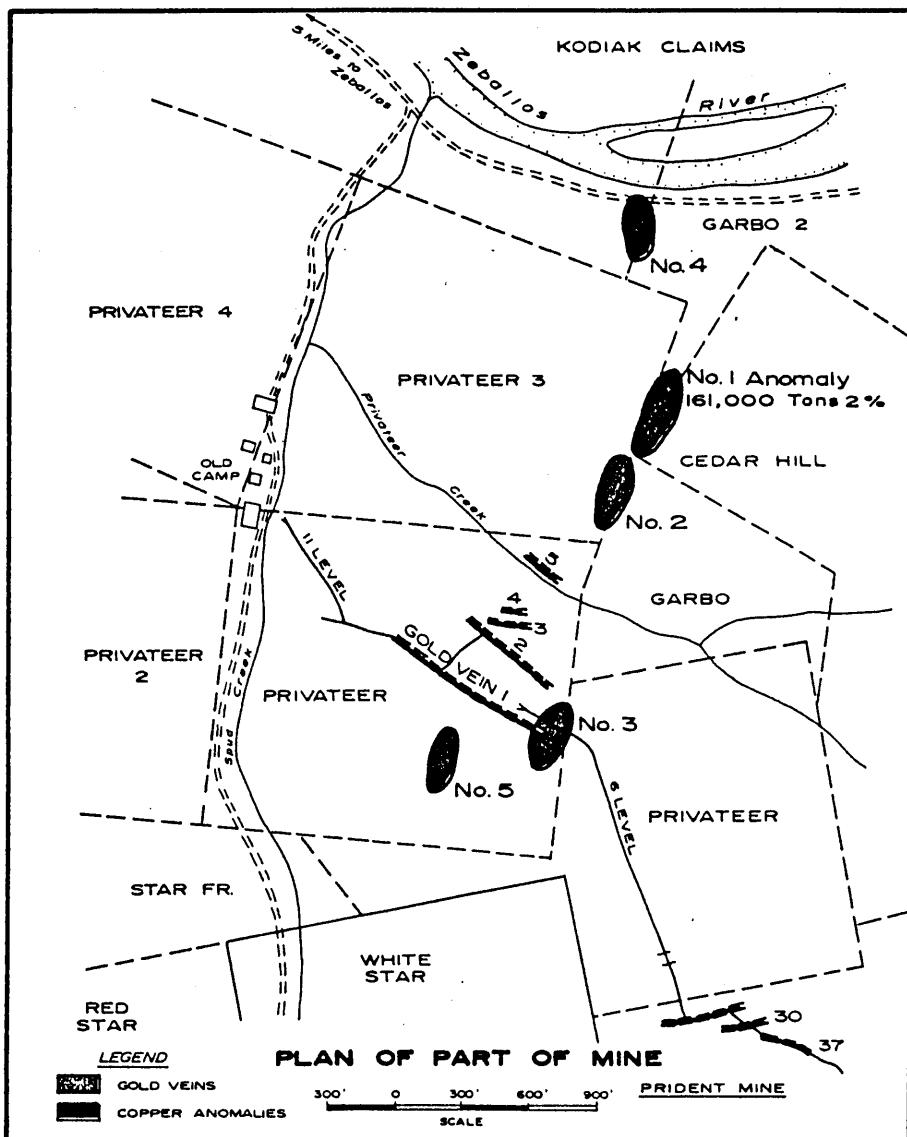
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NEW PRIVATEER MINE LIMITED

ZEBALLOS PROPERTY

Vancouver Island, B.C.



FORWARD:

Subsequent to the writer's report of January 9, 1971, Phase I of the recommended program (mapping, sampling, geochemical and geophysical surveys) was completed. The results of this work will be included in another report referring to the Kodiak and Mum Claims adjoining and north of the "Uebell zone".

A more critical evaluation of existing exploration data on the Uebell zone has prompted the writer to reassess Phase II as recommended in the report of January 9, 1971. Mapping, surface sampling and 962 feet of diamond drilling (supported by helicopter) was completed on the No. 2 anomaly (See Figure 2) of the Uebell zone. The writer has spent 22 days on the property (October 20 - 25, November 3- December 7, 1971) and has examined published and unpublished reports. The following information is restricted to exploratory work on the Uebell zone (Alternative to Phase II of January 9, 1971 report).

INTRODUCTION:

The claims are situated in the rugged wet mountainous region of North Central Vancouver Island. The rugged highly mountainous nature of the terrain, combined with dense forest cover makes exploration and travel most difficult.

GEOLOGY:

The geology of the Zeballos Mining Camp is described in some detail in Bulletin No. 27, Geology and Mineral Deposits of the Zeballos Mining Camp by J.S. Stevenson 1950, and in G.S.C. Memoir 272 by J.W. Hoadley-(See Figure 1).

GEOLOGY (Continued)

In the general area (Figure 1) apple green lime silicate rocks (minor skarn) trend north west. These are bounded on the west by volcanics of the Bonanza group and by intrusive quartz diorite and quartz diorite breccia to the east. The general dip of the sediments ranges from vertical to steep to the southwest.

The mineral deposits within the area include high grade gold bearing quartz veins (Old Privateer Mine S.W.) and copper showings (Uebell) within an altered zone, transitional between quartz diorite and andesite volcanic rocks.

EXPLORATION HISTORY:

This information is included in the writer's report of January 9, 1971. The most significant combined results of the work completed to date is the discovery of 161,000 tons of proven 2% copper mineralization (Reports by J. Lamb, September, 1965, and H. Hill and L. Starck and Associates, 1961). This mineralization occurs in one of three anomalies trending with the sediments (See Figure 2). Additionally, in reviewing the old diamond drill records (1940) of the Privateer Mines, a significant copper intersection is noted (no assays) in DDH # 16A located 800 feet West of the Uebell zone and 650 feet West of the N.E. corner of L1041 Privateer No. 3. The recorded intersections are as follows: 45' - 85' spotty chalcopyrite and pyrrhotite; 207' - 240', heavily mineralized with pyrrhotite and chalcopyrite; 363.7' - 381.5', heavily mineralized with pyrrhotite and chalcopyrite (minor). The writer is aware of copper and moly. occurrences on surface in this area. It is quite probable that this mineralization extends S.E. into the Uebell zone.

RECENT EXPLORATION RESULTS:

With the support of helicopter, 962 feet (5 holes) of B.Q. coring was completed on the No. 2 anomlay of the Uebell zone (See Figure 2). For the most part, rock types cored include dark green massive volcanics (andesite crystal tuff) and stringers of lime silicate. The lime silicate rocks include banded and laminated rocks ranging from grey to light green interbanded with narrow bands and fragments of dark green volcanics. In the lower zones (approximately 100 feet below surface) the dykes (dacite, diabase) and stringers of quartz diorite are so numerous and closely spaced that the rock is locally a breccia (See Figure 3).

The sediments cored appear to be dipping to the S.E. in holes Nos. 4 and 5 and steeply to the S.W. in holes Nos. 1 and 2. Minor volcanic bands and some dykes trend with the sediments. The lower portion of Holes Nos. 1 and 4 appear to have intersected a relatively large zone of mixed barren light colored volcanics and dykes (See Figure 3).

The significant sulphides include: pyrrhotite (massive and disseminated) chalcopyrite, minor pyrite and a single 1" intersection of moly. in DDH # 5 at 117'. Additional lesser sulphides are noted in Figure 5. Chalcopyrite occurs as replacement along faults in the lime silicates and at lime silicate volcanic contacts. This is particularly noticeable in the case of copper mineralization both above and below the dacite dykes in Holes Nos. 1 and 5 (See Figure 3).

The most significant intersections assayed are as follows:

RECENT EXPLORATION RESULTS:

(Continued)

<u>D.D.H. No.</u>	<u>Interval</u>	<u>Cu. %</u>	<u>Ag. oz./ton</u>
1	14' - 19'	.17	.02
1	22' - 28.4'	1.80	.40
1	28.4' - 33.4'	.43	
5	61.4' - 62.9'	.23	.02
5	62.9' - 68.9'	1.30	.10
5	68.9' - 72.4'	.32	.02
5	111.0' - 113.0'	1.30	.10

The intersections above appear at this time to be two separate occurrences. More drilling and mapping is necessary.

CONCLUSION:

The lithology and mineralization of Anomaly No. 2 is very similar to Anomaly No. 1

containing 161,000 tons of 2% copper. Recent drilling has established the fact that copper mineralization is present in appreciable grades and widths. Additionally, copper mineralization occurs some 1200' to the northwest of Anomaly No. 2 and 1000' S.E. at Anomaly No. 3.

The prospects of tripling the present mineralization are very encouraging and further exploration is warranted.

RECOMMENDED EXPLORATION PROGRAM:

Additional mapping and drilling is necessary to outline the extent and configuration of these occurrences.

The indicated methods of further exploration should include:

RECOMMENDED EXPLORATION PROGRAM:

(Continued)

1. Additional mapping and prospecting on the Uebell Zone including the area between the Zeballos River and the southernmost anomaly.
2. Additional diamond drilling on the No. 2 anomaly.
3. Diamond drilling in the area of surface occurrences some 660' west of the N.E. corner of L1041.

COST ESTIMATES OF THE PROGRAM:

Phase I

1.	Mapping and prospecting	\$ 2,500.00
2.	Diamond drilling (Helicopter support) approximately 2000'	40,000.00
3.	Supervision, Engineering and reports	5,000.00
4.	Transportation and supplies	3,000.00
5.	Contingencies	1,500.00
		<u>\$ 52,000.00</u>

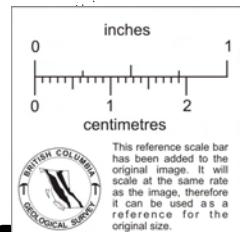
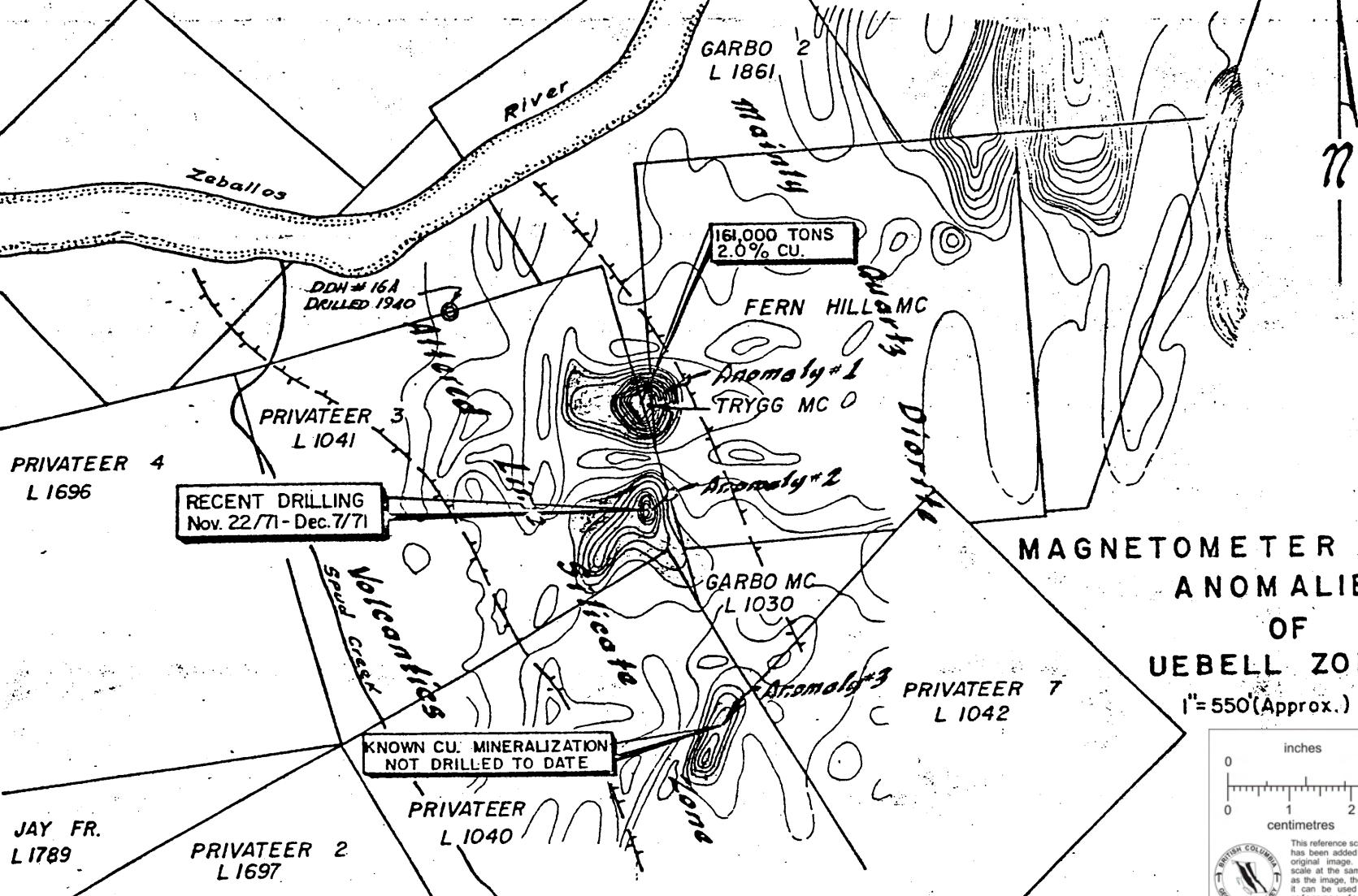
Cost estimates do not include any of the office expenses or overhead of the company.

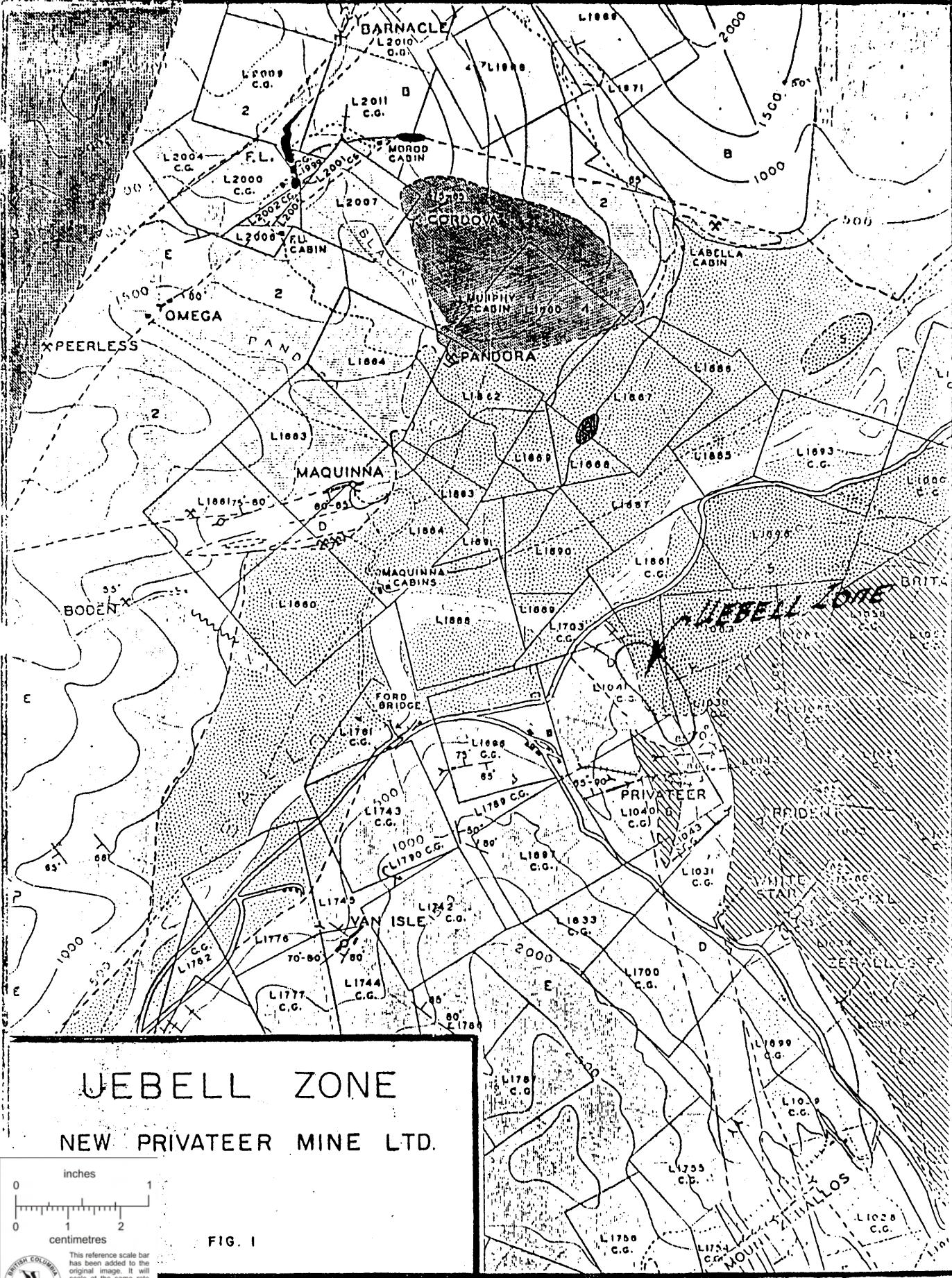
Phase II

Subject to the successful completion of Phase I and some measure of success, the company should seriously review the original recommendations reported by J. Lamb, P. Eng., whereby he proposed to tunnel into the Uebell Zone. This would probably involve an expenditure of approximately \$250,000.00.

MAGNETOMETER
ANOMALIES
OF
UEBELL ZONE

1"=550'(Approx.)





ZEBALLOS MINING CAMP, AREAL GEOLOGY

BRITISH COLUMBIA DEPARTMENT OF MINES
VICTORIA B.C.

SCALE 1000 0 1000 2000 FEET

LEGEND

DRIFT AND VALLEY-FILL

COAST INTRUSIVES

QUARTZ DIORITE

DIORITE AND VOLCANICS BRECCIATED AND CEMENTED
BY QUARTZ DIORITE

GRANODIORITE

DIORITE CUT BY MANY GRANODIORITE DYKES

HORNBLENDE DIORITE

GABBRO

INTRUDED ROCKS

ANDESITE CHIEFLY PYROCLASTICS (DARK GREEN, HORNBLENDE
FELDSPAR CRYSTAL TUFFS AND VOLCANIC BRECCIA), SOME LAVA

LIME-SILICATE ROCKS

LIGHT-COLOURED VOLCANICS (FELDSPAR CRYSTAL TUFFS AND
DACITE TUFFS AND FLOWS)

LIMESTONE

ANDESITE CHIEFLY DARK GREEN LAVA (FINE-GRAINED
AND AMYGDALOIDAL PHASES)

VEIN

REPLACEMENT BODY

X PROSPECT

> ADIT

— GEOLOGICAL CONTACT DEFINED
— GEOLOGICAL CONTACT INFERRED

— MOTOR ROAD

— TRACTOR ROAD

— PACK-HORSE TRAIL

— FOOT-TRAIL

— SURFACE TRAM

— AERIAL TRAM

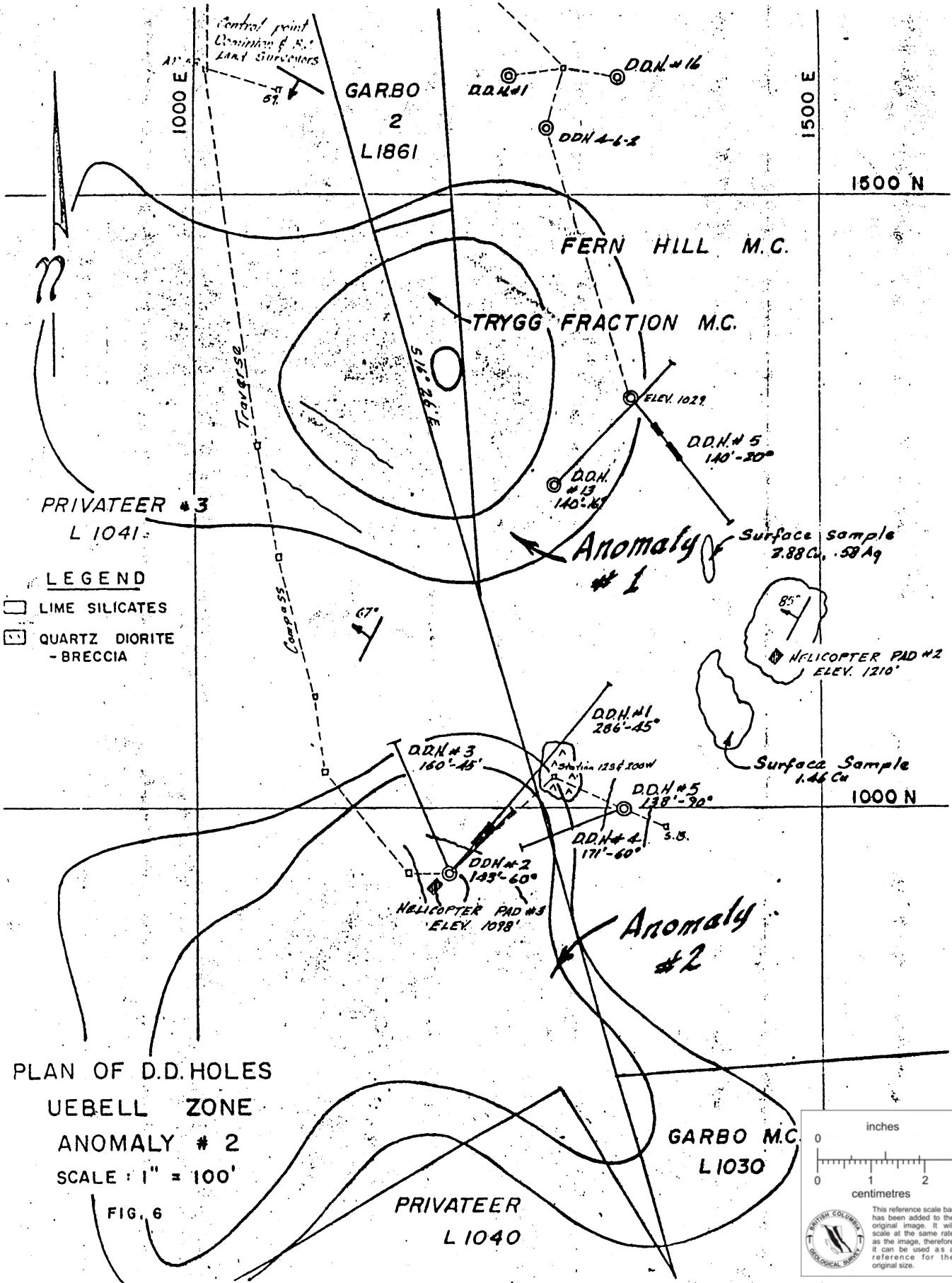
SWAMP

NOTE:

DYKES HAVE NOT BEEN SHOWN.

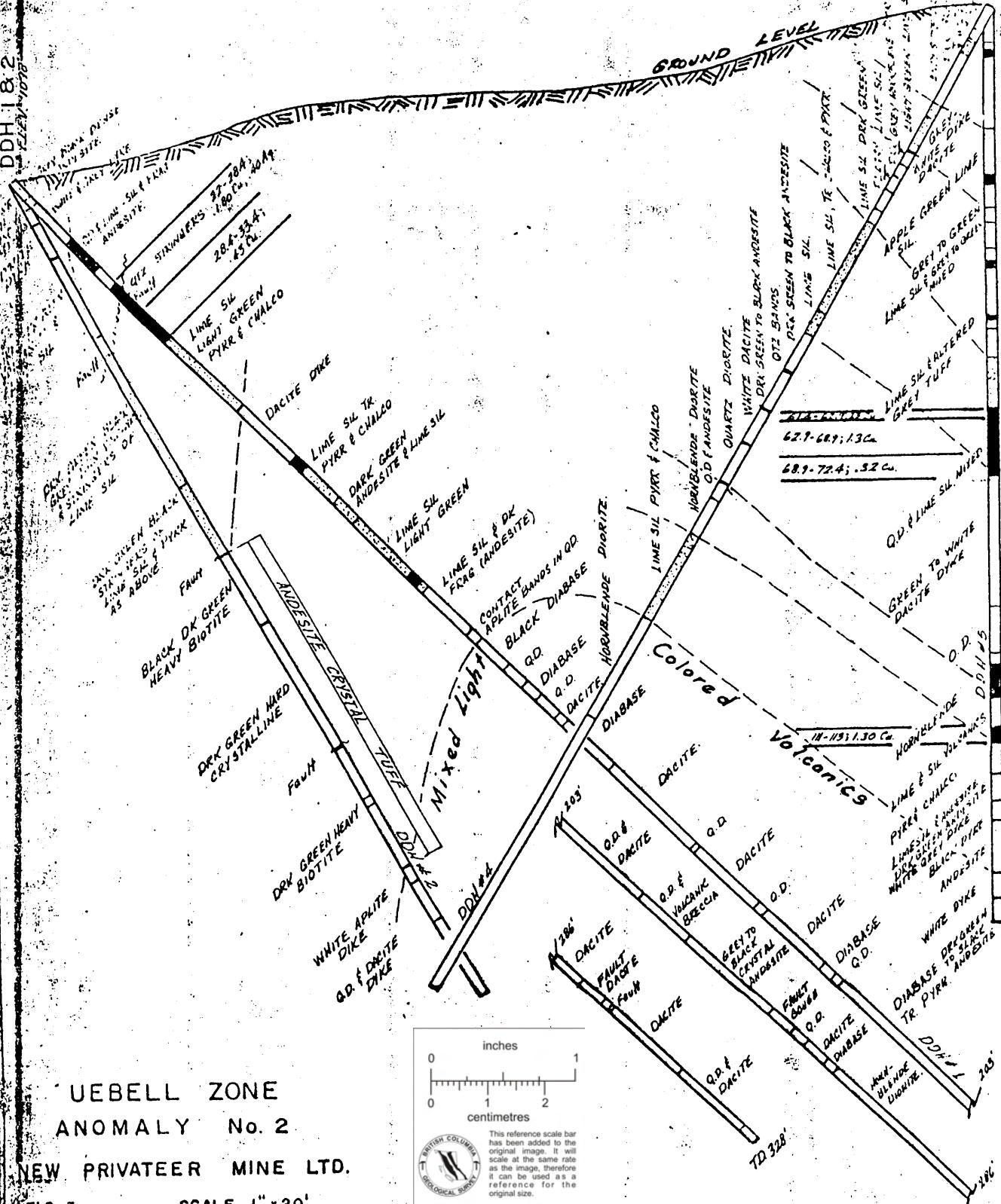
GEOLGY BY JOHN S. STEVENSON, 1947.

TOPOGRAPHY SOURCES: NATIONAL TOPOGRAPHIC SHEET 922, OFFICIAL SURVEYS
OF CROWN GRANTS, DEPARTMENT OF LANDS, VICTORIA, AND JOHN S. STEVENSON.



LEGEND

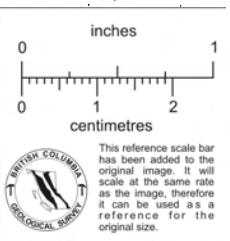
**COPPER MINERALIZATION
LOW GRADE COPPER & PYRRHOTITE
TRACE COPPER & PYRRHOTITE**

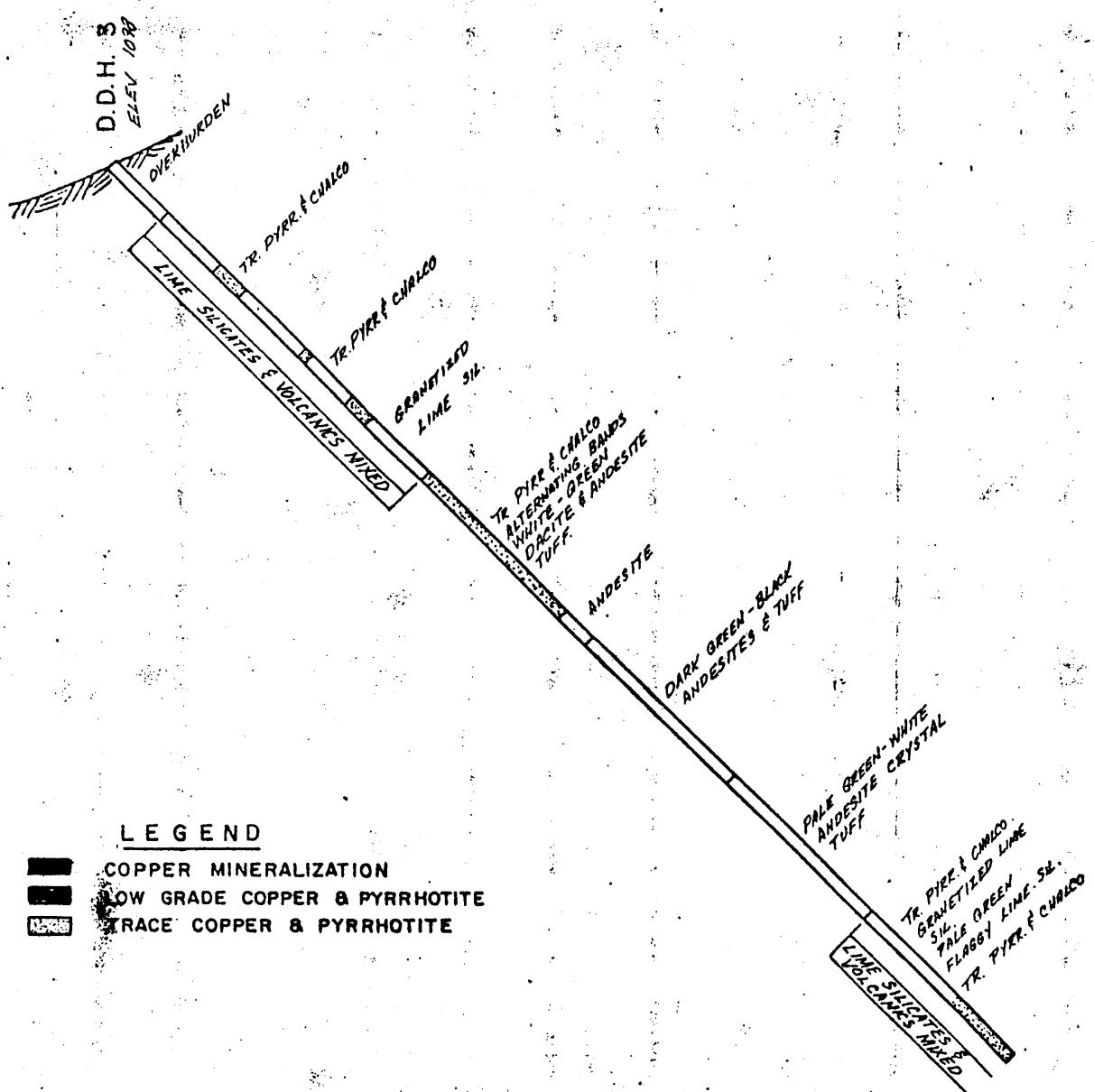


UEBELL ZONE
ANOMALY No. 2
NEW PRIVATEER MINE LTD.

FIG. 3

SCALE 1" x 20'



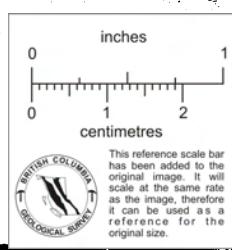


UEBELL ZONE
ANOMALY No. 2

NEW PRIVATEER MINE LTD.

FIG. 4

SCALE 1" = 20'



DIAMOND DRILL RESULTS
UEBELL ZONE
ANOMALY #2
NEW PRIVATEER MINE LTD. (N.P.L.)

No.	Sample	Total MoS ₂ %	Cu.%	Pb.%	Zn.%	oz./ton Ag.	oz./ton Au.	Intersection:
S#1	D.D.H. #1	.001	.17	.01	.01	.02	.002	14' - 19'
S#2	D.D.H. #1		.03					19 - 20'
S#3	D.D.H. #1		1.80	.01	.06	.40	.002	22 - 28.4'
S#4	D.D.H. #1		.43	.01	.01	.02	.002	28.4 - 33.4'
S#5	D.D.H. #1		.22					61. 0 - 63'
S#6	D.D.H. #1		.14					86.5 - 88.5'
S#7	D.D.H. #1		.05			.02	.002	
S#8	D.D.H. #5		.23			.02	.002	61.4 - 62.9'
S#9	D.D.H. #5	.001	1.30	.01	.04	.10	.002	62.9 - 68.9'
S#10	D.D.H. #5		.32			.02	.002	68.9 - 72.4'
S#11	D.D.H. #5		.13			.02	.002	26.0 - 27.5'
S#12	D.D.H. #5		.09			.02	.002	38.5 - 40'
S#13	D.D.H. #5		1.30			.10	.002	111 - 113'
S#14	D.D.H. #4		.06			.02	.002	7 - 8'
S#15	D.D.H. #4		.12			.02	.002	47.5 - 48.5'
S#16	D.D.H. #4		.19			.02	.002	101.5' - 106.5'

Note: The assay results as set out are taken from the Analysis Cert. File No. 249 and certified by Helen Tam of Acme Analytical Laboratories Ltd., at 6455 Laurel Street, Burnaby, B.C.

Figure 5.
January 28, 1972.

L.J. Siega