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Lady Luck - 13, 123
Mayner's Fortune - 113
Lucky Fortune - 124

REPORT ON THE
LADY LUCK, MAYNER'S FORTUNE, GABE
AND LUCKY FORTUNE
MINERAL CLAIM GROUPS
- Terrace Area, B.C. -
CREE LAKE MINING LIMITED
(N.P.L.)

103 I 7

RESOURCE MANAGEMENT LIMITED
Management and Geological Consultants

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January, 1967

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INTRODUCTION

This report describes the claim groups held by Cree Lake Mining Ltd. (N.P.L.) which are located approximately seven miles South of the town-site of Terrace, British Columbia. The property comprised of five groups of claims forming one contiguous lot are located in a geologically favorable setting and have exhibited encouraging results to date. The property is readily accessible and warrants further detailed exploration and development work.

DESCRIPTION OF PROPERTY

The following is a list of the claims of Cree Lake Mining Ltd. (N.P.L.) by name and registration number. All are contiguous and in good standing as of the date of this report.

LADY LUCK GROUP (40 Claims)

<u>Claim No.</u>	<u>Record No.</u>	<u>Date Recorded</u>
# 1 - # 4	25826 - 29	June 4, 1965
# 5 - # 14	26605 - 14	June 28, 1965
# 15 - # 30	27623 - 38	Sept. 8, 1965
# 31 - # 32	28929 - 30	May 3, 1966
# 33 - # 40	30005 - 12	Sept. 19, 1966

MAYNER'S FORTUNE GROUP (8 Claims)

# 1	15316	Aug. 10, 1953
# 2 - # 4	15340 - 42	Aug. 17, 1953
# 5 - # 8	15365 - 68	Aug. 31, 1953

GABE GROUP (36 Claims)

# 1 - # 36	28606 - 28641	Mar. 10, 1966
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LUCKY FORTUNE GROUP (8 Claims)

<u>Claim No.</u>	<u>Record No.</u>	<u>Date Recorded</u>
# 1 - # 6	15456 - 61	Oct. 12, 1953
# 7 - # 8	15712 - 13	May 18, 1954

LUCKY FORTUNE GROUP FRACTIONS (4 fractional Claims)

#17 - #20	30332 - 35	Oct. 28, 1966
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ACCESS

The northern boundary of the Cree Lake Mining Ltd. (N.P.L.) Claim groups is located approximately seven miles south of the town of Terrace, British Columbia due West of Lakelse Lake. Access from Terrace is south via gravelled logging roads which pass through the heart of the claimed area. Tributary logging roads intersect the properties at many points so that the various groups may be reached by automobile and four wheel drive vehicles with no undue effort. The Prince Rupert line of the Canadian National Railway passes south through the property south from Terrace and thence 18 miles to the port of Kitimat. The Terrace airport is located approximately five miles north northeast of the claimed group. CPA conducts daily flights from Vancouver to Terrace. Highway #16 connects Prince George via Terrace with Prince Rupert. Highway #25 leads from Terrace to Kitimat, a 40 mile route. Charter float plane service is available at Lakelse Lake, and charter helicopter service is available at the Terrace airport.

Terrain is not extreme and offers no problem to mobility although foliage is dense and clearing is required during spring and summer activity.

GEOLOGY AND MINERALIZATION

The geology of the subject area is relatively simple in that it depicts a stereotype geologic setting favorable for the accumulation of economic minerals. The coast intrusives are intruded into an overlying Paleozoic sequence in part comprised of hygrade limestone which grades laterally into carbonaceous silt. The area is faulted in a north-south direction and the intrusives are aligned north-south on echelon paralleling the major fractures. The intrusives are flanked by and in some cases covered by Paleozoic limestones. The contact between the intrusive and the Paleozoic limestones affords an environment favorable for commercial mineralization. It is along these contact zones that the exploration efforts of the Company have been expended and additional programmes will be set up to continue these efforts. The Paleozoic limestones are of commercial grade, averaging in some instances above 95% calcium carbonate with no contamination. In one zone, designated as "ten mile" - being at the ten mile point on the Prince Rupert Line of the CN Railroad, on the Lady Luck Group of claims, approximately 500,000 tons of hygrade limestone have been outlined. At least two other zones of relatively pure limestone have been noted and partially explored.

Lady Luck claims No. 1, 2, 3 and 4 have been the main target of detailed geologic effort and exploration activity to date. Mineralization is evident

in the skarn zone between the intrusive and overlying sediments. The basic mineralization consists of commercial quantities of copper, molybdenum, lead and zinc along with some values in gold and silver. Mineralization has been established intermittently over a 2,000' trend along the north-south base line on the Lady Luck Group. Approximately 600' of trenching along with several hundred feet of stripping, exhibited ore grade mineralization from a zone 1,300' south of the zero line and 700' north of the zero line at points 100' north of the zero line and at intermittent points between zero and 1300' south. All values of ore established thus far are of commercial quality, particularly considering the availability of rail transport via the CN railway to the ocean port at Kitimat eighteen miles to the south and west. In summary, the geologic setting is appropriate and uncomplicated, hampered in part by the dense foliage of the area but not difficult to pursue once trends have been established. Initial work has proven the geologic premise and widespread mineralization has been established.

HISTORY OF SURFACE AND UNDERGROUND EXPLORATION By Others Than the Company

There is no record of any serious mining efforts having been conducted on the subject claims with the exception of a shallow 10' adit from which some free gold was reportedly extracted on Lady Luck Claim No. 21 approximately 1,000' from the Skeena River railroad bridge. The area has been prospected intermittently since the turn of the century but until recently

underwent no organized effort. In the winter and spring of 1966, a syndicate composed of the U.S. Smelting Mining & Refining Corporation, Broylone Pioneer Exploration, Columbia Cellulose Co. Ltd. and Union Carbide, obtained an option to conduct certain work programmes on the Lady Luck Group. It is known that the syndicate established grid systems and carried out a magnetometer survey during the winter in heavy snow followed by sampling in the late spring.

There is no known history of this property and with the exception of the foregoing, there has been no surface or underground exploration conducted, neither is there any surface or underground plant or equipment present on the property.

WORK DONE BY THE COMPANY UNDER THE PRESENT MANAGEMENT

The company has completed a detailed exploration programme on certain areas within the overall claimed block and reconnaissance geology and prospecting over the entire area. Initially, a detailed photogeologic evaluation was prepared for the Company by Dr. Peter Haman, Ph.D. Field geologic parties then examined the structural trends and anomalous photo areas with detailed surface mapping. Grid systems were established on the Lady Luck and Mayner's Fortune Groups. A detailed soil sampling programme was carried out on the Lady Luck Group centering on Lady Luck claims No. 1, 2, 3 and 4. Detailed geologic evaluation was also completed on the Lady Luck grid.

A stripping and trenching programme was then begun on anomalous zones followed by extensive sampling and assaying. To accurately orient the position of claims on the aerial photo mosaic, the company photographed the area in color from the air employing vertical and oblique photographs from a helicopter mounted 35mm camera. Surface prospecting was conducted and is continuing throughout the claimed area. The following is a breakdown of work completed to date:

1. Trenches stripped and blasted - in excess of 500'
2. Soil sampling - geochemical analysis in excess of 12,000'
3. Aerial photo, stereo analysis, black and white (regional and local) and colored (local)
4. Surface geologic mapping and sampling - detailed and regional, Lady luck, Mayner's Fortune, Lucky Fortune and Gabe Groups
5. Prospecting of entire claimed area as dictated by combined geologic aerial photo results
6. Blasting and trenching of pits at various points on the Lady Luck group

Rock samples from outcrops and stripped and trenched zones at several points on the property were assayed. A grid system was set up on the Lady luck group centering on the common post of Claims 1, 2, 3 & 4. Detailed sampling and resultant assays will be referred to this grid system, on which the major portion of exploration and development has been conducted to date.

Significant magnetometer and geochemical anomalies are widespread in the area of most pronounced interest, extending over an area in excess of 2000' along the N - S baseline from 1300' south to 750' north. Work to date is insufficient to determine continuity between the anomalies but geologic conditions are favorable. Major anomalies exist at the following locations:

500' North to 1000' North, 200' East to 300' West

0' North to 500' North, 0' East to 500' East

250' North to 250' South, 250' West to 400' West

1300' South to 1400' South, 300' East to 400' East

A series of smaller magnetic and geochemical anomalies are situated along strike between the major anomalies.

Stripping and trenching were carried out on the 1300' South - 400' East anomaly. Approximately 350' of continuous trenches were blasted and sampled delineating an area in excess of 5,300 square feet to be well mineralized. Outcrops to the west of the trenched area extend the minimum width of the mineralized area an additional 75 to 100 feet. Chip sampling over the entire length of the exposed zones taken from the base of the trenches exhibited the following assays:

1. Trench "D" - 65' in length - the most southerly east-west trench

Chip sample average values over entire length:

Copper values ranged from nil to .75%

Zinc ranged in value from .03% to 3.4%

Only trace values of lead and molybdenum were recorded in the chip sampling

2. Trench "C" - 95' in length, parallels Trench "D"

Chip sample average values over full length:

Copper .32% (range trace to 1.32%)
Zinc .80% (range .02 to 3.72%)
Molybdenite average .29% (range trace to 2.30%)

3. Trench "B" - 85' in length parallels Trench "C"

Chip sample average value over full length:

Copper .19% (range trace to .46%)
Zinc 2.2% (range .09% to 6.52%)
Molybdenite average .01, (range trace to .05%)

4. North-South Trench - intersecting Trenches B, C, & D

Chip sample average value over full length:

Copper .8%
Lead .52%
Zinc 1.16%
Molybdenite .83%

Values per ton at current market prices indicate the following:

1. Trench "B" - \$7.82
Trench "C" - \$14.56
Trench "D" - \$2.00
N - S Trench intersecting B, C, & D - \$39.64

5. Trench "T" - 1400' to the north, striking east west for a length of 30'

Chip sample values over full length:

Copper .49% (Range .27 to .75%)
Zinc .9% (range .10 to 3.97%)
Molybdenite .04% (range .01 to .10%)

Value per ton indicated by Trench "T" assays - \$7.69

6. Trench 100' South, 0' East, due south of the above -
grab sample

Copper .13%
Lead .65%
Zinc .15%
Molybdenite 13.63%

The following assays are thought to be representative of exposed
outcrops:

A. Outcrop 100' North 200' East, due east of Trench "T"

Copper .62%, Zinc .69%, Lead .40, not
assayed for molybdenite

B. Outcrop 1800' North 500' East

Copper .55%, Silver .6 oz., Zinc 22%, molybdenite .01%

C. Outcrop 1300' South 300' East, due west of trenches B, C & D

Gold .08 oz, Silver .14 oz., Copper 3.51%,
Zinc 3.24%, Molybdenite .01%

D. Outcrop 0' South 20' East

Copper .04%, Zinc 1.99%

E. Outcrop 0' South 40' East

Copper .51%, Zinc 12.55%

F. Outcrop 200' North 300' East

Copper .62%, Zinc .69%, Lead .40%, Molybdenite .03%

G. Outcrop at 0' Baseline

Copper .07%, Zinc 21.73%, Lead .56%, Molybdenite .01%

H. Outcrop 800' North 800' East

Copper .14%, Molybdenite .44%

Commercial grade limestone is also present within the claimed area.

The most pure unit is exhibited along the CNR railroad tracks at a point near the centre of the Mayner's Fortune Group. A unit thickness of approximately 100 feet of highgrade limestone is exhibited along the railroad, and although the unit has not been examined in detail to determine its full length, approximately 500,000 tons have been mapped. A representative sample of this limestone assayed CaCO_3 96.3% MgCO_3 1.59%, Zn trace.

SUMMARY AND CONCLUSIONS

The area under evaluation is located within a geologically favorable area. Work to date has indicated that mineralization is present at points covering a broad area. Geochemical, geophysical and structural geologic data infer that known mineralized zones may be extended over areas sufficient in size to be of commercial value. The grade of the known occurrences is relatively high in values of Copper, Zinc, Lead and Molybdenum. Molybdenum and Copper appear to improve in grade below the seam zone at the surface. Many prominent geophysical and geochemical anomalies remain to be evaluated.

RECOMMENDED PROGRAM

Lady Luck Group

Magnetometer Geophysical Survey	\$12,000.00
Stripping, trenching and blasting (700' @ \$10.00 per ft.)	\$ 7,000.00

Mayner's Fortune Group

Magnetometer Geophysical Survey	\$ 5,000.00
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Lady Luck Ten Mile Area

Magnetometer Geophysical Survey \$ 5,000.00

Gabe Group

Magnetometer Geophysical Survey \$ 4,000.00

Management, professional supervision and
general operating \$ 2,000.00

TOTAL - \$35,000.00

The foregoing is recommended as a definitive program which can
prudently be pursued during the winter months.


Respectfully submitted,


K. P. Bottoms, B.Sc., M.Sc., P. Geol.

CERTIFICATE

I, Kenneth Philip Bottoms, of the City of Calgary, in the Province of Alberta, hereby declare:

1. That I am a Consulting Geologist and my residence is 343 Willow Ridge Place, Calgary, Alberta
2. That I am a Registered Professional Geologist in the Province of Alberta
3. That I am a graduate of the University of Michigan, Ann Arbor, Michigan, U.S.A. with a degree of B.Sc., (1957) in geology and a degree of M.Sc., (1959) in Geology
4. That I have practiced my profession as a geologist in various capacities and locations since 1959
5. That the accompanying report is based on personal evaluation of the property and that the most recent examination of the property was made on October 9, 1966
6. That I have examined the claim posts on the Lady Luck Group Claims #1, #2, #3, #4, #5, #6, #7, #8, #9 and on the Mayner's Fortune Group Claims #1, #2, #3, #4, #5, #6, #7, #8 and found that the staking appears to have been carried out in accordance with the Mineral Act
7. That I have no interest in any property held by Cree Lake Mining Ltd. (N.P.L.) or in any securities offered by that Company nor do I expect to receive any such securities. I do, however, hold shares in Kenad Developments Limited, the Company which acquired the option transferred to Cree Lake Mining Limited (N.P.L.) on its properties and which Company holds shares in Cree Lake Mining Limited (N.P.L.).


K. P. Bottoms, B.Sc., M.Sc., P. Geol.

Dated this 12th day of January, 1967.