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82K/12-13  
Gilman,  
Wagner,  
Independence,  
Burniere &  
Lead Star,  
Lemar

PROPERTY REPORT - PLACID OIL COMPANY  
THE BOB LEIGHTON MINING INTERESTS  
IN  
THE TROUT LAKE AREA  
(SOUTH OF REVELSTROKE, B.C.)  
REVELSTROKE MINING DISTRICT, B.C.

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January 1979

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## INTRODUCTION:

The following report covers two different types of mining properties which were examined in the Trout Lake area south of Revelstoke during December 14th and 15th, 1978. I was accompanied by Bob Leighton of Sorrento, B.C. who holds an active interest in the ground mentioned.

Such a property examination was of a rather cursory nature due to the lateness of the field season with the inclement weather conditions and heavy snow cover prevailing at the time.

We camped overnight at Camborne and were picked up by helicopter on the 15th for an airborne look at the Independence, Goldfinch, Gilman, and Lemar properties.

The gold properties (Independence, Goldfinch, Burniere, and Gilman) are rather typical of small gold vein deposits. They are subvertical, discontinuous, and exhibit variations of grade and thickness laterally and at depth. In all probability they would be small-tonnage propositions but could be of some interest as there are fairly high grade portions present.

The Lemar claim groups are most interesting because of their proximity to the Newmont/Imperial molybdenum deposit ~~and~~ reputed to be a major find. In addition, Noranda has launched a major exploration program north and northwest of the Lemar claims and Cominco has a large claim block in the area.

Bob Leighton's Holdings in the Trout Lake Area

Bob Leighton (Box 264; Sorrento, B.C.; telephone number 604-675-2042) purports to <sup>own</sup>~~own~~ outright or in partnership the following mining ground in the Trout Lake Area:

- a) The Gilman property: Eight crown grants in partnership with Mr. Dan Duggin of Salmon Arm, B.C.
- b) The Wagner group: Four crown grants. Wholly owned by Leighton.
- c) The Independance Group: Eight crown grants owned personally, one 4-unit, 100 hectare claim owned in partnership with Ed Marlow.
- d) The Burniere and Leadstar property: Three units of claims totalling 75 hectares owned by Leighton in partnership with Ed and Alan Marlow.
- e) The Lemar claims comprise 118 claim units totalling approximately 2950 hectares. Owned by Leighton in partnership with Ed Marlow.

Descriptions of Properties:Gilman Property

Located along Mohawk Creek at an elevation of 4,500 feet, the Gilman group may be reached by a 4-wheel drive road.

Gold-silver values are contained within a two to five foot *wide* quartz-vein striking northerly to northwesterly, dipping sub-vertically to  $-47^{\circ}\text{E}$ . Vein material carries from 0.10 to 0.20 oz. per ton gold with values in excess of 0.50 oz/ton Au occurring within irregular peds and lenses of pyrite.

A report by consulting geologist R. W. Phendler suggests an average grade of 0.33 oz/T Au ~~would~~<sup>to</sup> be a reasonable millhead figure.

The vein, traceable at surface intermittently for 200 feet, is situated within a block shale/phyllite host rock of the Pre-Cambrian <sup>L</sup>Lardeau series.

It would appear that present trenching and pitting would infer an indicated tonnage in the order of 3,600 tons. A shallow tunneling and diamond drilling program, to cost in the region of \$30,000, would be required to augment the reserves to what would probably be in the \$50,000 ton category.

Bob Leighton and his partner Dan Duggan have purchased the old mill of the Sunshine-Lardeau Mine reportedly for \$40,000 and are presently setting it up on the old mill site at Camborne, some 4 miles distant from the Gilman property. Their intention is to truck ore from the Gilman and other properties to the mill which they would ultimately hope to run at 100 tons per day. To that end they have presently piled 100 tons of Gilman ore at the mill-site.

The Wagner Group:

Located 10 miles east of Trout Lake, the Wagner property is situated within highly rugged terrain at an elevation of 7,500 feet. It was not visited at the time of the property examination. A 4-wheel drive road extends to within one mile of the claims so an examination during the summer of '79 would be in order.

Leighton states that a large high-grade lead-silver vein traverses the prospect. Some of his assays run in the 60% Pb, 100 oz/T Ag category.

This property will be researched further and findings will be reported at a later date.

The Independance Group:

The Independance Group is situated in the Menhinick Creek - Scott Creek area at elevations ranging from 4,000 to 5,000 feet. The ground is accessible by timber roads.

Both the Independance and the Goldfinch group (a block of ground immediately adjacent to the south owned by Eaton Mining) have enjoyed a long history of mining activity dating back to 1903 when a 10-stamp mill was constructed. Over \$10,000,000 worth of gold was reportedly produced over the next two years and at least 2000 feet of tunnelling completed. An extensive fire destroyed the mill in 1905. Further work on the properties was undertaken in the 1930's and the 1970's.

A number of quartz veins are present on the property. These carry gold, silver and in some instances lead, zinc, silver of considerable grade. The ground is underlain by Lardeau black shales and

and phyllites trending northwesterly. As is the case on the Gilman property the veins are quartz (some carbonate), are very prominent, and occupy strike oriented fractures. A possible anticlinal fold structure hypothesis may explain the localization of the veins.

It appears as though seven distinct veins are present in the immediate area. They are:

1. The Glory Hole Vein (on Goldfinch Group). Open along strike and purportedly extending for 1500 feet onto the Independence Group. Surface mineralization is noted. Face values according to an Eaton report ran as high as 2.97 oz Au/ton over 3.8 feet at the point where mining had ceased.
2. The Galena Vein is the reported extension of the Glory Hole vein. Traceable for 1500 feet and open along strike, grab samples taken by Eaton Mining in 1972 are listed as 1.56 oz Au/ton, 0.38 to 2.28 oz Ag/ton and one particular sample assaying 0.20 oz Au, 13.3 oz Ag, 39.98% Pb, and 5.75% Zn. Width is in the order of four feet, striking west to northwest.
3. The Dorothy Vein striking northwesterly, traceable for 300 feet along strike over a 10 foot width, the Dorothy Vein contains unreported values of Pb, Zn, Ag.
4. A unnamed quartz vein parallels the Dorothy some 100 feet to the east and contains galena over a 3½ foot width.
5. The Flat Vein (on Goldfinch Group) Was tunnelled into during 1933. No results are reported.

6. An unnamed quartz vein traceable for 150 feet is present along the stream in the centre of the "Lost Cup" Lease. It strikes northwesterly and is 8 feet wide.
7. An unnamed 18 inch wide quartz-carbonate vein is exposed for 150 feet along the north central portion of the Vimey Ridge crown grant.

The highest gold assay reported from Eaton Mining Company's 1971 sampling runs 7.0 oz Au per ton.

The Burniere and Lead Star:

This ground was not visited during my examination. A reported gold-lead-silver vein traverses the ground in a northwesterly direction along the trend of the mineralized quartz veins extending from the Gilman through the Independence properties.

This property will be examined during the 1979 field season.

The Lemar Group:

Made up of non-contiguous bloc exceeding 3,000 hectares located 4 to 6 miles west of the northern tip of Trout Lake, the Lemar ground is of considerable interest because of its strategic location with respect to the apparently major molybdenum discovery made by a partnership consisting of Newmont Mining and Imperial Oil.

The terrain covered by the Lemar claims is rugged and ranges in elevation from 3,000 to 7,000 feet.

My attention was first drawn to this property by a report written in the "Northern Miner" appearing during early 1978. The report mentioned that diamond drilling by Newmont/Imperial had cut an 890 foot portion averaging 0.409% MoS<sub>2</sub>. This intersection included



a 170 foot portion averaging 0.549% MoS<sub>2</sub> and a 220 foot portion averaging 0.915% MoS<sub>2</sub>. True width of the overall intersection was 600 feet. To date 1500 feet of strike length had been delineated. Both alteration and grade were found to be increasing with depth.

Exact history of the property is not entirely known although a general picture has been put together with the aid of B.C. Minister of Mines Reports, news articles, and conversation with a number of individuals. Access to reports written by Scurrey-Rainbow Oil in the early 1970's also proved helpful.

The original property, currently the focal point of Newmont/Imperial's exploration efforts, consisted of a number of crown grants and was designated as the "Lucky Boy" or "Copper Chief." The old showings thereon were comprised of quartz veins containing galena, sphalerite, tetrahedrite, chalcopyrite, pyrite, molybdenite, as well as scheelite. Geologically the property is underlain by black shales, schists, and phyllites intruded by at least one granodiorite plug. Rock alteration as well as veining and stockworking is prevalent and persistent.

The crown grants were acquired by Alan Marlow, a local timber contractor who optioned the ground to Scurrey-Rainbow near the end of the '60's. In 1970, Sheppard Enterprises completed a drill contract in excess of 3,500 feet of BQ wireline drilling. Hole depths were generally in the 250 to 700 foot range. Over a dozen holes were completed. Molybdenum mineralization was prevalent throughout though generally low grade although a number of intersections in the 0.30 to 0.50% MoS<sub>2</sub> were reported over fairly respectable widths. Again, rock alteration and a high degree of fracturing were evident in the

drill core. The mapping and drilling had revealed the presence of sub-vertically dipping, L-shaped, altered granodiorite plug some 900 by 400 feet which played a prominent role in the localization of molybdenite mineralization.

Surrency-Rainbow did not feel the property warranted further attention and dropped it shortly thereafter. Both Leighton and Marlow say a contributing factor here was the presence of the Finnish project geologist's ~~wife~~<sup>wife</sup> who did not enjoy staying in the area and consequently urged her husband to move out.

Newmont Mining Corporation optioned the prospect from Marlow during the early 1970's engaging in a program of soil sampling and further diamond drilling. During 1975, 9 BQ holes were completed totalling 3,102.3 metres.

Within the last two years Imperial Oil entered the picture, acquiring 50% of Newmont's interest. Emphasis on their exploration program switched to deeper drilling and to that end at least a dozen angled holes were completed from surface. Hole depths are reported to be in the 3,000 to 4,800 foot range. Canadian Longyear of Vancouver is the drill contractor. Prices per hole are around \$250,000. The deepest hole to date was collared further to the east than the previous holes and missed all molybdenum mineralization.

Leighton maintains that one of the more successful angled holes, a hole which he says included a 60 foot section averaging 10% MoS<sub>2</sub>, was actually cored within the borders of his ground on the Lemar 3 claims.

Newmont/Imperial have apparently exercised their option to purchase the ground from Alan Marlow for a reported \$100,000 and, according

to Leighton, are making plans to embark on an underground exploration program running into the seven figures.

Noranda Mining has staked a large bloc of claims to the northwest and have engaged in extensive soil sampling. They apparently have done some preliminary drilling as well.

Cominco has a large claim block to the southeast. No information is available at present regarding their activities here.

Summary and Recommendations:

The foregoing describes a number of potential gold-bearing properties as well as a molybdenum prospect.

The gold properties would be classified as vein-types having potential in the low-tonnage, moderate to high grade category. The examination of the properties, because of snow conditions and the time of year, was by no means definitive and until a more thorough inspection could be carried out I would hesitate to recommend or to condemn any of them. Furthermore, additional information is available on these properties through literature research which will add to the picture.

Leighton would be negotiable on any of the gold or lead-silver properties. He has mentioned no prices or figures to me but has indicated that he and his partners have expended over \$100,000 on these properties to date. I do not feel there is any great rush by other companies to secure any of them and in all likelihood they would be available to us at any time. ~~When~~ ~~A~~ small to moderate tonnage situation in gold would not be totally unattractive to Placid if grades were high as capital requirement would be minimal.

The Lemar molybdenum ground is a different matter. The high tonnage potential is obvious at a grade which would be regarded as high for molybdenum. The largest producer in Canada, for example, the Endako Mine, processes 28,000 tons per day averaging 0.14% MoS<sub>2</sub>.

Again, because of snow conditions, my examination of the ground was not terribly meaningful. The location of the claims with respect to the Newmont/Imperial as well as the Noranda ground makes them highly interesting.

Leighton implies that the Lemar claims are worth \$1,000,000 plus a royalty. He and his partner, Ed Marlow (Alan's brother,) both have outstanding current income tax liabilities. It is possible the ground could be presently tied up for a 2 to 3 year period for \$35,000 to \$50,000, If done before the Spring. Leighton is pushing hard to option this ground and in all probability will be successful before too long.

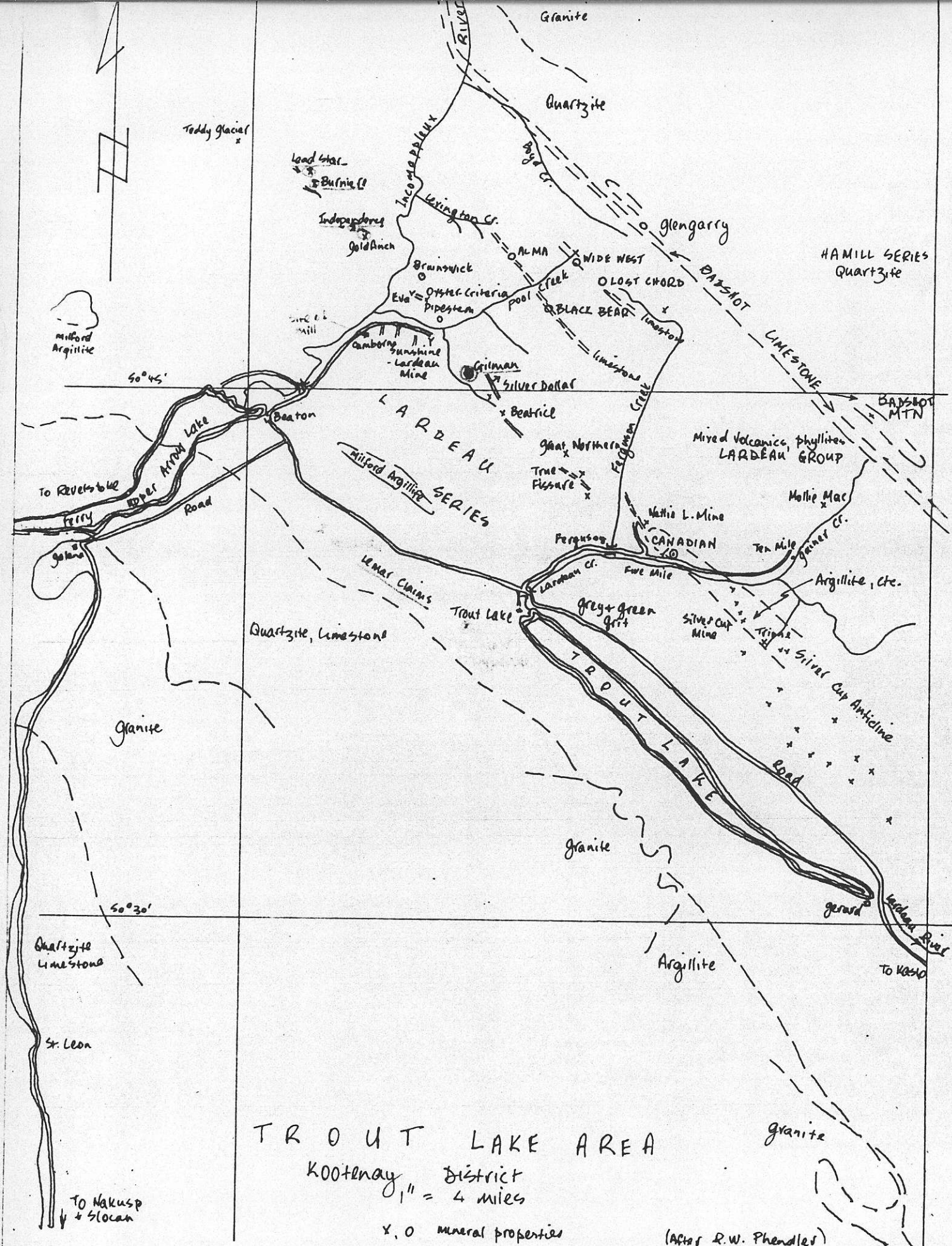
A considerable risk factor is present for Placid. The company would be dealing for ground which has not been adequately examined. The depth of the mineralization means that subsequent exploration and follow-up would be costly. Boreholes would cost a minimum of \$250,000 each. It is conceivable that the price-tag of such a program to the feasibility stage would be \$5,000,000 to \$10,000,000. Capital costs would be high as well although a joint arrangement with Newmont/Imperial would be possible. Terrain is extremely rugged and expensive roadbuilding would be required.

The fact that Newmont/Imperial missed on their 4,800 foot hole means that one cannot just drill anywhere and be successful. Careful surface mapping is mandatory together with a thorough study of rock alteration and geochemistry. How applicable a surface study is to 3,000 to 5,000 foot depths is debatable, however.

Whatever the difficulties and costs the reward potential is there in a deposit such as this one. It could be big and it could be relatively rich. I don't feel this particular situation is one which should be lightly ignored.

Should Placid opt to reject this proposal, the geologic map of the area shows a group of similar intrusives extending towards the south.

Perhaps our own exploration during the forthcoming season could prove fruitful along this belt.



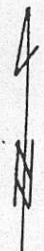
TR O U T L A K E A R E A

KOOTENAY District  
 1" = 4 miles

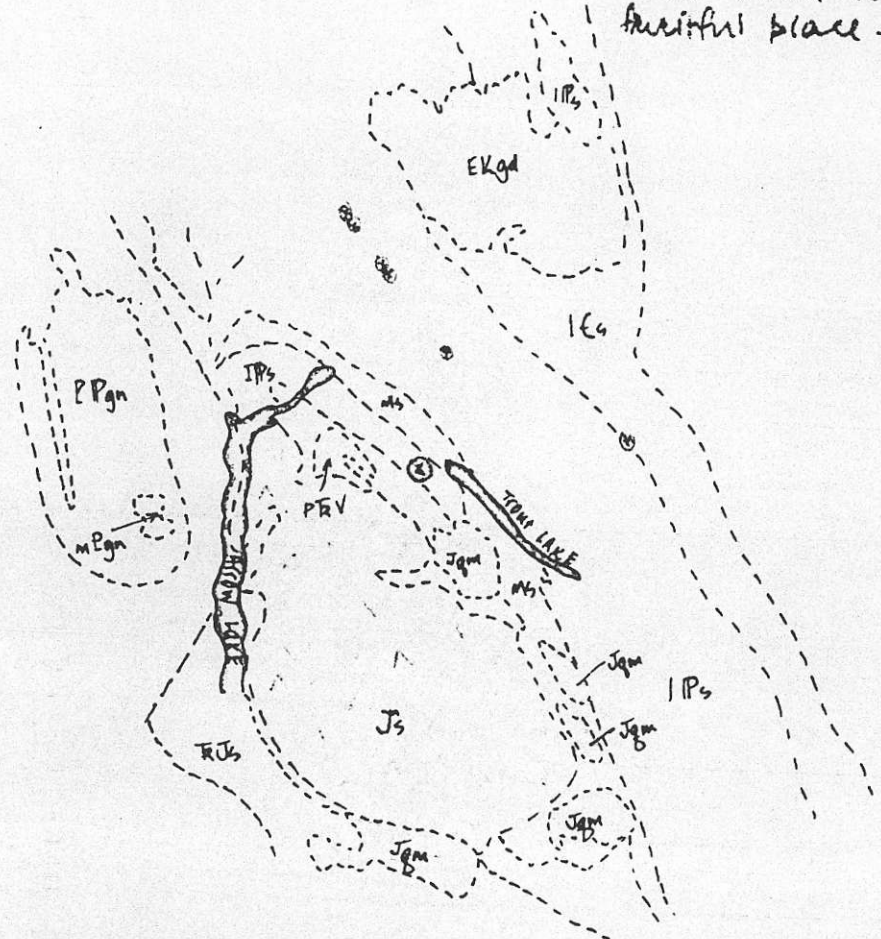
x, o mineral properties

(After R.W. Phendler)

\*Note: Leighton properties underlined in red.



note: the southeastern and eastern margin of the Kuskwanax Batholith particularly around the Jurassic monzonite stocks would seem to be a fruitful place to explore



Leighton's properties

Sedimentary, Metamorphic & Volcanic Rocks

- TRJ Triassic-Jurassic; sh, arg, lsne, cgl, sst, ss
- PRV Permian-Triassic; greenstone, bas, and, lava, tf, bx, serpentinite
- Ms Carboniferous-Permian; slate, arg, chert sst, lsne, cgl
- IPs Lower Paleozoic; Arg, lsne, sst, phy, ignse
- IEs Lower Cambrian; ate, lsne, phy, arg
- PPgn Paleozoic; gneissic granatoid rocks
- mPgn Proterozoic-Paleozoic; gneissic granatoid rx.

Plutonic Rocks

- Ekgd Early-mid Cretaceous; granodiorite, qtz diorite, qtz monzonite
- Jgm Jurassic; Qtz monzonite, lesser granodiorite
- J3 Mid-late Jurassic; Kuskwanax Batholith, syenite, leuco-monzonite, leuco-qtz monzonite

Geological sketch map  
of  
the TROUT LAKE AREA  
after  
Preliminary GSC map O.F. 481  
Scale: 1:1,000,000





