

520571

REPORT

ON THE

C P W CLAIM

CARIBOO MINING DIVISION

BRITISH COLUMBIA

- FOR -

WHITECAP ENERGY INC.

5TH FLOOR, 609 GRANVILLE STREET,

VANCOUVER, B.C. V7Y 1G5

prepared by:

KERR, DAWSON AND ASSOCIATES LTD.,

#206 - 310 NICOLA STREET,

KAMLOOPS, B.C. V2C 2P5

JAMES M. DAWSON, P. ENG.

APRIL 22, 1983.

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## INTRODUCTION

This report has been prepared at the request of the directors of Whitecap Energy Inc. It outlines the geology, mineralization and exploration potential of the subject property.

A proposed budget is appended to this report as well as maps showing the property location and disposition of the CPW Claim.

## SUMMARY AND CONCLUSIONS

1. The CPW property consists of one 4-unit, metric claim located in moderate terrain in the Likely District of south-central British Columbia and is road accessible.
2. Gold-bearing quartz veins were discovered on the property in 1933 and two main exploration programmes were carried out in 1938 and 1947. In 1938, extensive trenching, sampling and the driving of two short tunnels was completed. In 1947, many of the veins were trenched and sampled and 2600 feet of drilling was performed. In 1977 and 1979, mapping and sampling programmes were carried out.
3. The area is underlain by a package of upper Triassic clastic sediments and volcanics which are cut by a number of dikes of felsitic and ? syenitic material. These rocks strike in a northwesterly direction paralleling the regional grain of the country.
4. Numerous quartz veins are known to occur on the property and a number of these have been demonstrated to be gold-bearing. Anomalous to low grade values have been detected in some of the rocks hosting these quartz veins and anomalous soil samples have been collected at a number of places on the claim.

5. The property has the potential for the development of either high grade narrow vein zones or larger tonnages of low grade gold-bearing material which might be mined by low cost, mass mining methods. An exploration programme to fully test the potential of this property is recommended.

#### PROPERTY

The property consists of one 4-unit metric claim as follows:

<u>Claim Name</u>	<u>Record No.</u>	<u>Tag No.</u>	<u>Expiry Date</u>
CPW	4541	02300	Nov. 1/83

The registered owner of this claim is C.P. Wallster, however, an option agreement is currently being processed with Whitecap Energy Inc.

#### LOCATION AND ACCESS

The property is located in south-central British Columbia about 65 km. northeast of Williams Lake and approximately 8 km. east-southeast of the village of Likely. The approximate geographic center of the claim is at 52° 36' north latitude and 121° 28' west longitude.

The property is accessible via about 85 miles of paved and dirt road from 150 Mile House on Highway 97 to the village of Likely. About 2 km. northeast of Likely the Spanish Lake logging road leads off to the right. By travelling a further 7 km. on this dirt road the property is reached.

The Spanish Lake logging road passes through the northeast corner of the claim and a number of jeep roads and skid trails provide good access to most parts of the property.

### PHYSIOGRAPHY AND VEGITATION

The property lies on a north-facing slope near the northwest end of a ridge dominated by Spanish Mountain. The terrain is moderate to steep but there are no cliffs and all areas are easily negotiated on foot. Relief is in the order of 1000 feet varying from about 4200 feet (a.s.l.) along the south boundary to less than 3200 feet at the northeast corner.

The central two thirds of the claim has been logged within the last 5 years and is now covered by a light growth of deciduous brush. The northeast and southwest corners of the claim are still covered with a mature growth of fir, spruce and cedar.

### HISTORY

Gold-bearing quartz veins were discovered on the northeast side of Spanish Mountain in 1933. At that time the property was known as the Mariner. Some prospecting and hand trenching was done and the property was examined by the government engineer.

In 1938, the property was optioned by the N.A. Timmins Corporation which did a large amount of stripping and drove two short adits - one 42 ft. long and the other an undetermined distance.

In 1947, the property was optioned by El Toro, B.C. Mines Ltd. This company did extensive sampling and drilled 8 diamond drill holes aggregating about 2600 feet. During that programme the property was examined by Dr. S.S. Holland of the B.C. Department of Mines. He took five samples and the assay results are as follows:

	<u>Au (oz/ton)</u>	<u>Ag (oz/ton)</u>
(A) Selected sample of quartz well mineralized with pyrite and galena.	0.30	nil
(B) Selected sample of pieces of quartz containing about 25% pyrite.	1.12	0.4
(C) 4 to 6 inch quartz vein mineralized with pyrite, galena and chalcopyrite.	4.43	2.3
(D) Selected honeycomb quartz containing pyrite.	0.52	nil
(E) Selected sample of quartz, well mineralized with galena and containing some sphalerite and small amounts of pyrite and chalcopyrite.	5.88	32.0

In late 1947, this same company shipped 4 tons of picked ore to the Tacoma smelter. Net returns were gold 8 oz; silver 40 oz; and copper 82 lbs.

In 1977, the Mariner property (covering the same area as the present CPW claim) was surrounded by the Peso claims. A geological and geochemical exploration programme carried out on the Peso claims also covered much of the present CPW claim.

In 1979, some of the old pits were dug out with a backhoe. The property was geologically mapped and many of the vein occurrences were sampled.

In October 1982, the Mariner claim lapsed and was restaked as the CPW. In late 1982, the adjoining Peso claims were optioned to Lacana Mining Corporation.

### GEOLOGY AND MINERALIZATION

According to Open File 574, by Campbell (1964) the property is underlain by a succession of upper Triassic rocks consisting of a sedimentary component and a volcanic component. The sedimentary package consists of phyllite, argillite, slaty argillite, quartzite and schist. The volcanic rocks consist of greenstone, augite porphyry breccia, tuff breccia, tuff as well as dikes and sills.

On a more detailed scale there seems to be some dispute about rock types. According to Littlejohn (1977), "the main rock type on Spanish Mountain is a dark grey, fine grained phyllite which is interbedded with impure quartzite horizons of varying thickness and extent". These rocks strike northwest and dip moderately to the south.

Tribe (1979), described the geology as consisting of north-trending bands of argillite, trachyte and andesite. These rocks are reportedly cut by dikes or small intrusions of syenite and felsite.

Pyrite is widespread on the property, occurring as disseminated grains as well as small pods and stringers in phyllite. Carbonate alteration in the form of ankerite is noted in a number of rock types. The writer observed mariposite in a piece of float near the Spanish Lake road and this type of alteration was also seen by Littlejohn (1977).

The host rocks are cut by numerous quartz veins and stringers. According to Littlejohn (1977) these can be divided into two main types: wider quartz veins (up to 8 meters thick) which strike west to north-west and narrower (0.1 to 0.8 m. thick) gash veins which strike northeasterly.

A number of the veins contain pyrite, galena, tetrahedrite and native gold. Samples taken by Littlejohn (1977) ran as high as 3.1 oz Au/ton (grab from large quartz vein) with a sample of phyllite taken over 80 square meters assaying 0.04 oz Au and 0.11 oz Ag per ton. In addition, reconnaissance soil sampling returned some very high values (up to 6700 PPB).

#### EXPLORATION POTENTIAL

The subject property contains numerous quartz veins, many of which have been shown to be gold-bearing. Anomalous to low grade gold values have been detected in very minor sampling of the host rocks. Anomalous gold values were detected in soils at a number of locations on the property. Given the widespread gold occurrences, the possibility for stockwork quartz mineralization and the possibility that some areas of the host rocks may contain pervasive low grade values, there is potential here for either selective mining of high grade quartz veins or the delineation of larger areas of low grade material which might be mined by low cost bulk tonnage methods. Further exploration to determine the extent of both possibilities is certainly warranted.



RECOMMENDATIONSPHASE I

1. The claim should be surveyed to accurately determine the boundaries.
2. A detailed grid should be established over the entire property.
3. The property should be geologically mapped at 1:5000 scale or better.
4. Detailed soil sampling should be performed (100 x 25 meter spacing) with provision for greater detail if necessary.
5. All outcrops should be geochemically sampled (rock chips).
6. Bulldozer trenching should be carried out over areas of anomalous values or in places where the trend of mineralized zones is overburden covered.

PHASE II

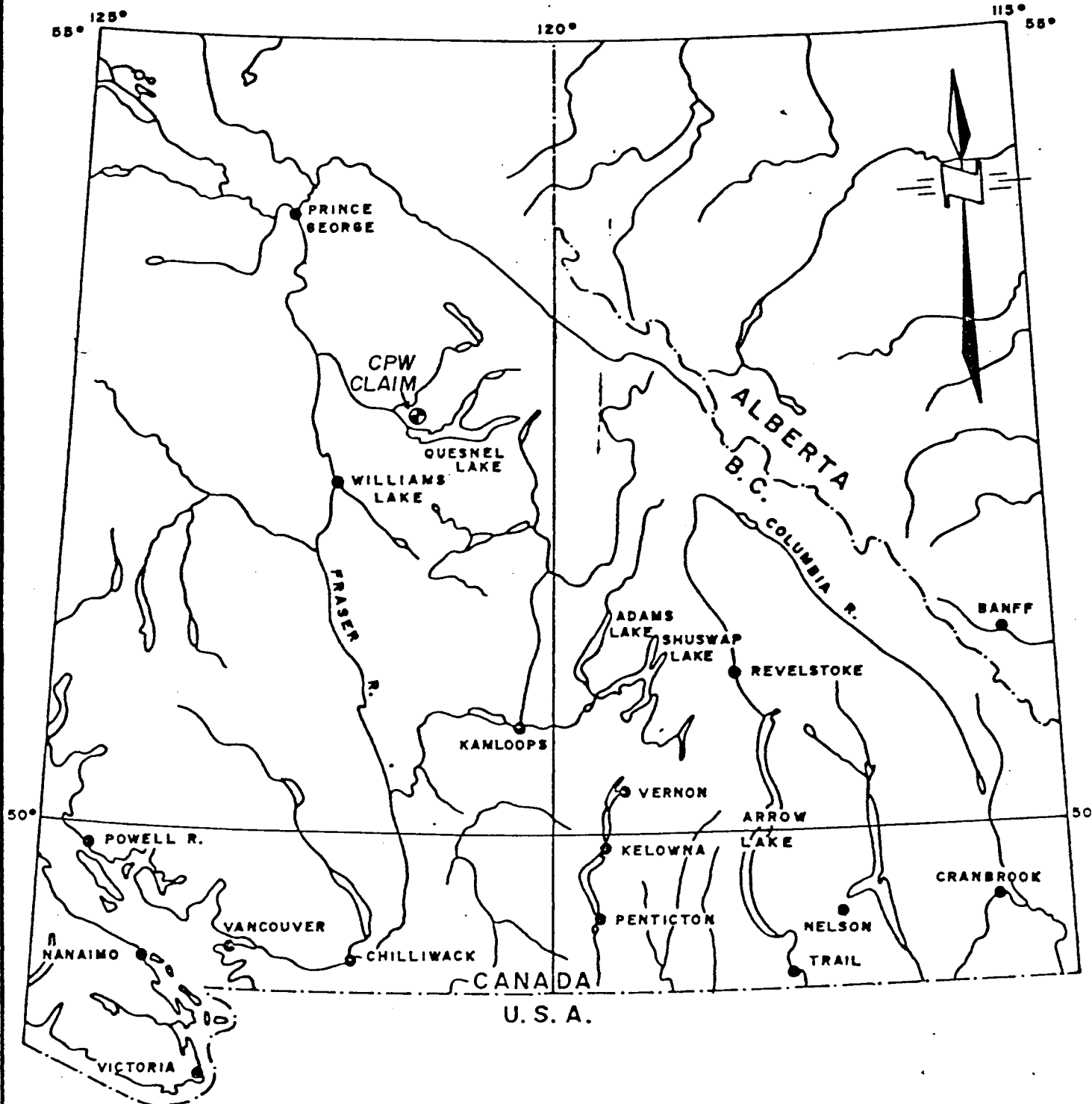
Contingent upon the success of Phase I, the various mineralized zones should be tested by drilling.



respectfully submitted,

KERR, DAWSON & ASSOCIATES LTD.,

*James M. Dawson*  
James M. Dawson, P. Eng.  
GEOLOGIST.



WHITECAP ENERGY INC.

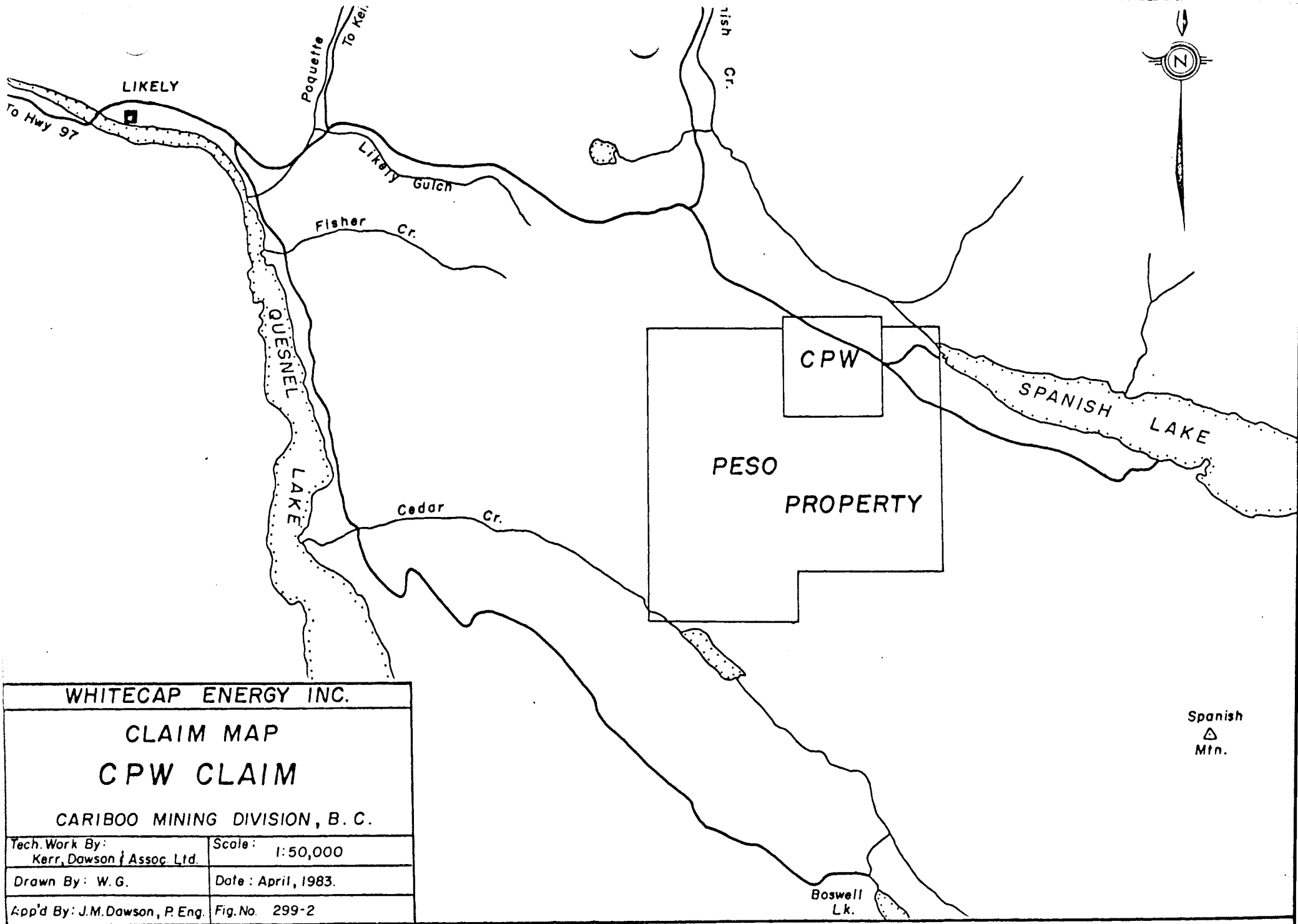
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LOCATION MAP

**CPW CLAIM**

CARIBOO MINING DIVISION, B.C.

Date: April, 1983. | Scale: 1" = 64 Miles



WHITECAP ENERGY INC.

CLAIM MAP  
**CPW CLAIM**

CARIBOO MINING DIVISION, B. C.

Tech. Work By:  
 Kerr, Dawson & Assoc. Ltd.

Scale: 1:50,000

Drawn By: W. G.

Date: April, 1983.

App'd By: J.M. Dawson, P. Eng.

Fig. No. 299-2

Spanish  
 △  
 Mtn.

Boswell  
 Lk.

APPENDIX A

ESTIMATED COST OF RECOMMENDED PROGRAMME

PROGRAMME COSTS

PHASE I

1.	Claim Survey . . . . .	\$2,000.00
2.	Grid Layout . . . . .	4,000.00
3.	Geological Mapping and Supervision . . . . .	5,500.00
4.	Soil Sampling . . . . .	3,500.00
5.	Rock Geochemical Sampling . . . . .	3,000.00
6.	Bulldozer Trenching . . . . .	15,000.00
7.	Assays and Analyses . . . . .	7,000.00
8.	Preparation of Final Report . . . . .	3,000.00
9.	Contingency . . . . .	4,000.00
		-----
		\$46,000.00

PHASE II

	4,000 feet of BQ wireline drilling at \$30/foot	
	all in . . . . .	\$120,000.00
		-----

TOTAL PROGRAMME COSTS                      \$166,000.00  
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APPENDIX B

REFERENCES

REFERENCES

- Campbell, R.B. (1964): Quesnel Lake Geology Map, scale 1:125,000; GSC Open File 574.
- Tribe, N.L. (1979): Report on Reconnaissance Geological Mapping and Sampling, Mariner II claim group, Spanish Mountain Area, Cariboo Mining Division, B.C.; Private Report to Schultz International Ltd.
- Legg, R.E. (1938): Mariner Group, Cariboo District; Private Report to N.A. Timmins Corporation.
- Littlejohn, A.L. (1977): Report on the Peso Claims, Likely Area, Cariboo Mining Division, B.C. Assessment Report for Longbar Minerals Ltd.
- Annual Reports of B.C. Minister of Mines, 1933 & 1947.

APPENDIX C

WRITER'S CERTIFICATE



**JAMES M. DAWSON, P. ENG.**

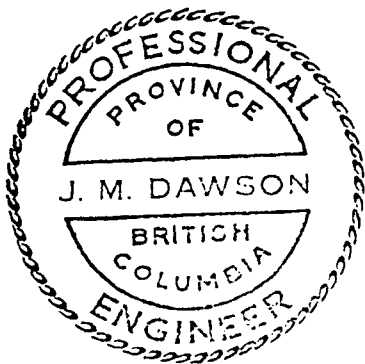
Geological Engineer

#206 - 310 NICOLA STREET • KAMLOOPS, B.C. V2C 2P5 • TELEPHONE (604) 374-0544

C E R T I F I C A T E

I James M. Dawson of Kamloops, British Columbia, DO HEREBY CERTIFY THAT:

1. I am a geologist employed by Kerr, Dawson and Associates Ltd. of Suite 206, 310 Nicola Street, Kamloops, B.C.
2. I am a graduate of the Memorial University of Newfoundland-- B. Sc. (1960), M. Sc. (1963), a fellow of the Geological Association of Canada and a Member of the Association of Professional Engineers of British Columbia. I have practised my profession for 19 years.
3. I am the author of this report which is based on an examination of the subject property on April 16, 1983 as well as on various published and unpublished data.
4. I have no direct or indirect interest in the property discussed in this report or in the securities of Whitecap Energy Inc., nor do I expect to receive any.
5. Permission is hereby granted to use this report in a Statement of Material Facts or prospectus to be filed with the Vancouver Stock Exchange and the B.C. Securities Commission.



KERR, DAWSON AND ASSOCIATES LTD..

*James M. Dawson*  
James M. Dawson, P. Eng.  
GEOLOGIST.

KAMLOOPS, B.C.

April 22, 1983.

REPORT ON RECONNAISSANCE GEOLOGICAL MAPPING AND SAMPLING,  
MARINER II CLAIM GROUP  
SPANISH MOUNTAIN AREA  
CARIBOO MINING DIVISION, B.C.

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MINERAL RESOURCES BRANCH  
ASSESSMENT REPORT

8636  
No. \_\_\_\_\_

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July 12, 1938. R.E. Legg.

APPENDIX III Preliminary Geological Report,  
Spanish Lake Area, Cariboo Mining  
Division, B.C. Clive W. Ball.



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