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Vancouver, B.C. V6E 3V4
Phone (604) 689-3846**SILVER STANDARD MINES LIMITED**

(Non-Personal Liability)

May 10, 1979

TO: B. Dunn

FROM: R. Beaton

SUBJECT: Progress Report, Easy Creek Project, Likely, B.C.

May 3 - May 8, 1979

The writer in company with yourself travelled to Likely on May 3 and moved into Van Diest Lakeshore Cabins on Quesnel Lake. (Phone 790-2258)

On May 4 together with prospector Bob Mickle we examined anomalous areas in the vicinity of Gold? Creek where encouraging gold values had been found associated with narrow quartz stringers; and in soil and silt samples collected the previous year. Further samples of rock and vein material were taken by yourself; and discussion with Al and Jim Potter (who own surface rights along Poquette Creek on both sides of the road allowance which follows same) indicated they had no objection to use of their land for prospecting and sampling purposes.

Following your departure the following day, the writer re-examined outcroppings along Poquette Creek to gain familiarity with rock types and to see evidence of the Poquette fault. Faulting is highly probable due to extreme crushing of rocks and linearity of Poquette valley. The finding of intrusive rocks directly west of and across the creek from Al Potter's house at the mouth of Gold Creek provide a valid source for quartz veining and alteration (bleaching, hornfelsing) in adjacent rocks. The intrusive mass apparently extends westerly from Poquette Creek but may extend easterly across it at depth. The intrusive rocks show considerable variation at contact, but away from contact appear to be an intermediate medium

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May 30, 1979

TO: B. Dunn

FROM: R.H. Beaton

SUBJECT: Progress Report, Easy Project, Likely, B.C.

May 9 - 28, 1979

Results from soil samples (taken from a single east-west line crossing Poquette Creek and mentioned in the previous report) were plotted on a topographic profile. All elements which were determined (Au, Ag, Pb, Cu, As, Hg) returned anomalous values from rusty soils on steeply-sloping terrain on both sides of Poquette Creek valley; but gave little response from clayey soils (till origin) on flat terrain above the valley. Elements giving best response were arsenic, gold, and copper. Lead and silver gave moderate response while mercury gave weak values (except in rock geochemical samples showing minor mineralization).

Since it can be shown that the soils reflect the mineralization which can be seen in or adjacent to quartz veinlets, prospector Mickle was instructed to blaze and flag out two grids to facilitate further sampling. The larger, on Poquette Creek, was laid out to cover all showings known to have provided some "kick" from previous sampling, i.e., SW quarter of Easy M.C. The smaller, in west central Easy 6 M.C. included trenching (done by Mickle) which displayed well pyritized felsic volcanics.

Work on the grid commenced May 11 and soil sampling on same was completed May 24th. Totals of 237 samples from Easy MC, 139 samples from Easy 6 MC, and 5 miscellaneous for an overall total of 381 samples were submitted to Chemex Labs on May 29th for gold, silver and arsenic determinations.


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grained rock of uniform texture rich in plagioclase, hornblende, and biotite, but low in quartz (diorite?).

A soil line was ribboned out easterly and westerly from the bridge crossing Poquette Creek such that it crossed the main showing. Forty intervals were flagged at 25 meter spacing. Samples of soil in addition to some rock geochem specimens have subsequently been submitted for multi-element determinations - Au, Ag, Hg, As, Cu, Pb to determine nature of response over the area of main interest; and to determine the masking effect of overburden on higher ground.

Of interest is the occurrence of minor amounts of sulphide ie., galena, chalcopryite, arsenopyrite?, in rock proximal to the intrusive; and of the widespread occurrence of disseminated pyrite and pyrrhotite in the general area particularly in acid to intermediate volcanics. Overburden depth is quite variable and unpredictable.


R. Beaton

RB/cmb



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June 11, 1979

TO: B. Dunn

FROM: R. Beaton

SUBJECT: Progress Report, Easy Project, Likley, B.C.

Results from close to 400 soil samples collected from the two grids laid out on Easy and Easy 6 claims have been plotted on separate maps for each of three elements (Au, Ag, As). A further map of each grid was prepared to show coincidence of anomalous contouring.

Grid I - As discussed previously, clayey drift erratically distributed on higher ground above Poquette Valley may mask bedrock mineralization whereas gravelly or sandy cover may permit of ready movement of ions in surface water. Plotting of values provides some confirmation of this since strongest anomalies follow both flanks of Poquette Creek valley where glacial overburden has been eroded. Two anomalies in which Au, Ag and As are coincident follow the steeply-sloping sides of Poquette Valley. The easterly includes the zone of quartz veining at the mouth of Gold Creek; the westerly which includes much of the diorite (sill?) known from mapping, kicks strongly in arsenic.

Grid II - An arsenic anomaly has been picked up trending ^{an}an echelon northwesterly to agree with the regional strike of underlying volcanics. Trenching and blasting done by R. Mickle is neatly included in the plotted trend, but the strongest values are shown to be about 100 metres farther west of his pits along the road. Silver kicks are spotty and weak, but generally lie on or close to the higher arsenic values. Gold gave only one anomalous value on the entire grid, and was not coincident with either arsenic or silver.

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Total line work amounted to 3500 meters in Easy 6 MC
and 7000 meters in Easy MC for a total of 10,500 meters.
The original test line (line 0) was not cut.

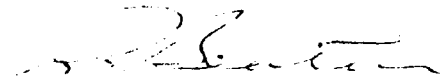


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Of interest is the fact that two ground-water springs mapped at apposite extremities of the grid line up with the regional strike, and a line joining them follows the west side of the main arsenic anomaly to suggest fault possibility.


R. Beaton

RB/cmb



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July 6, 1979

TO: B. Dunn
FROM: R. Beaton
SUBJECT: Progress Report, Easy Project, Likely, B.C.

Subsequent to drawing of preliminary geochemical maps showing distribution in soil of Au, Ag, and As on grids within Easy, and Easy 6 claims, I have looked into approximate costs of conducting small drilling (diamond and percussion) programs to check out anomalies. This data has been submitted for your attention.

Continued soil and rock geochemical sampling by prospector Bob Mickle in and peripheral to the Easy claims has resulted, on the basis of assay returns, in his staking additional claims. Their approximate positions and sampling areas are shown on the attached sketch. Results from 8 chip samples collected in a line along the south bank of Cariboo River, across from Kangaroo Cr. and about 1 mile east of Quesnel Forks ranged from 0.016 to 0.042 oz/T Au for an average of 0.027 oz/T. Old trenching and a short adit done in the past in this area probably were to investigate pyritized shears carrying minor gold and quartz. Of the first six returns from a line of soils (LK4-LK21) sampled by Mickle about $\frac{1}{2}$ mile south of this line, one gave a strong kick (LK6) - 1440 ppb = 0.04 oz/Ton. The sample (soil) is actually decomposed rusty bedrock (volcanic breccias and/or agglomerates) and has been resampled for a check. Other samples east of here in the LK series await assay returns. Some sampling has also been done at the south end of the Easy claims in Fisher Way Creek. These also await results.

A personal comment and observation is that all samples taken thus far from the Likely area which have provided values in gold are invariably in a pyritized rhyolite or rhyolitic volcanic fragmental rock which very frequently includes

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narrow veinlets and stringers of quartz. This rock has been noted by the writer from showings as far west as Quesnel Forks and as far east as Cedar Creek. It occurs as bands associated with metamorphosed sediments or intermediate volcanics and locally may be well laced with disseminated pyrite usually as crystals. Although individual assays taken from quartz stringer material may indicate good gold values, the averages of a number of them have thus far failed to show open-pit potential. However with gold close to \$350.00 an ounce a value of .027 oz/Ton may be an exception and would result in a grade of \$9.45/Ton gross which is comparable to B.C. porphyry copper grades, i.e., 0.45% Cu @ 90¢/lb. = \$8.10/Ton gross. Large tonnage and favourable metallurgy are required for any economic comparison and this calculation may merely be an exercise in arithmetic.

Mickle is aware of the somewhat better values obtained near Quesnel Forks and also that the May and June claims are outside his agreement limit. He feels that he can readily deal with others if Silver Standard does not care to come to terms, but cannot move since this company has right of first refusal (up to 50 miles). In any event the zone would require some additional work to better access its potential. Of note is that the Bullion Pit lies only 2 3/4 miles south of May claims. Since the pit includes a low-grade porphyry copper deposit, there is possibility that if it be considered as a source (volcano) then gold values might conceivably improve in favourable environments more proximal to it.



R.H. Beaton

RHB/cmb