

HIXON GOLD QUARTZ
CARIBOO MINING DIVISION

LOCATION

The HIXON GOLD QUARTZ property lies about 50 kilometers south of Prince George, B.C. and 5 kilometers east of the village of Hixon on the Caribou Highway.

The claims lie on the upstream edge of the Hixon Creek placer workings which have had an intermittent production since the 1860's.

GENERAL DESCRIPTION

Gold occurrences in bedrock have been known in the area since the 1870's. From time to time they have been investigated by limited underground workings. Hardrock gold production to date totals about 300 ounces. The gold is found in quartz veins and veinlets in carbonate altered greenstone. Low values have been reported in sections of altered greenstone as well as in the vein material.

The oldest rocks on the property are a series of fissile sericite schist of Mesozoic age. Bands of altered greenstone are interlayered with the schists with maximum exposed widths of about 30 meters in the mineralized area.

The greenstone is a massive fine to medium grained rock of intermediate to basic composition. The exposures show as flow structures, pyroclastic beds or other evidence to suggest that they are extrusive in origin. Contacts against the schist are sharp and show a suggestion of chilling.

On the basis of the limited exposures seen it appears most likely that the greenstones are a series of dykes or sills interleaved into the schist.

Quartz-carbonate alteration and associated gold mineralization appears to be closely restricted to the greenstone with negligible values reported from schists in the old work.

PREVIOUS WORK

In 1933 the wall rocks of the underground workings were extensively sampled by P.E. Peterson who reported that a "large tonnage" of greenstone would run 0.07 ounces/ton gold. As no plan of his sampling is available it is not possible to know how large a tonnage he was considering. The workings were driven to follow and test the quartz veins so the greenstone encountered would consist largely of wall rock to the veins. Presumably the rock sampled by Peterson would be mainly of this material and might not be representative of the greenstone as a whole. The workings are now flooded and inaccessible.

Six separate dump areas were sampled by the writer. They returned an arithmetic average of 0.027 ounces/ton gold with the highest single value of 0.102 ounces/ton.

More recent work by previous owners has involved a limited amount of diamond drilling, none of which tested the immediate vicinity of the underground workings.

RECOMMENDATIONS

The interest in the property arises mainly from the assays by Peterson and others in the underground workings and on limited dump sampling. Consequently the critical move would be to confirm the presence of interesting widths and grades in the areas in which they have been reported. Since the workings are not accessible this must be done by drilling through the old workings.

Before a decision to drill is made, certain preliminary steps should be taken. These would include more thorough sampling of the dumps and a limited magnetometer survey to delineate the greenstone in the schist. Further, every effort should be made to locate a copy of Peterson's 1933 results.

An option payment of \$7,500 is due shortly and should be paid. The preliminary work recommended above should cost about \$10,000, following which a drilling decision should be made.

fch

GOLDEN RULE RESOURCES LTD.
HIXON PROJECT (GR-BC-8)
N.T.S. 93-G-7E & 8W

PROGRESS REPORT

Objectives

Preliminary work on the Hixon prospect commenced with the following objectives:

1. Locate old workings and check locations of same with regard to optioned ground;
2. Resample old workings where accessible;
3. Assess the most favorable exploration approach to the property.

Results

- The locations of the optioned claims were checked in detail on the ground and where examined were seen to be properly staked although locations are slightly different than those shown on claim maps.
- The major old workings are located on the optioned claims.
- Overburden cover on the property is extensive resulting in <0.5% outcrop.
- According to old reports, the best gold values in old workings occur in greenstones at or near greenstone-schist contacts in zones of carbonate alteration or stockworks of quartz-carbonate veinlets in the greenstone.
- The initial results of a reconnaissance ground magnetic survey of the property has outlined several zones of greenstone with a high degree of certainty. Outcrop control at the south end of the grid correlates zones of greenstone with magnetic highs. The greenstone contacts have been traced nearly 3 km northwestwards to the vicinity of the old workings. The zone correlates with a rather vague Ag-As anomaly outlined by very widely spaced geochemical sampling carried out on the property by Bethlehem Copper in 1971. The grid lines of the earlier survey were oriented in the worst possible sense, i.e., sub-parallel to the strike of the greenstone contact. Subsequent drilling located fairly extensive but weakly mineralized zones of disseminated pyrite and native copper in the greenstones.

Conclusions and Recommendations

- Short lines for detailed geochemical sampling should be carried out over the greenstone zone contacts as delineated by magnetic surveying. Sampling should be carried out at 25 m intervals over a length of 500 m on lines spaced 100 m apart. (Earlier sampling was done at 500' intervals along cross lines nominally spaced 600' apart)
- Subcrop zones occur at a few locations where there are topographic highs on the grid. In these areas, the greenstone contacts might possibly be investigated by trenching.
- Shallow exploratory drill holes should investigate the greenstone contact in zones of deeper overburden, particularly in areas where there is any

coincident favorable geochemical response. It would be advisable to commence such a drilling program in the vicinity of the old workings where auriferous zones have already been established. Any such drilling should be carried out with the objective of providing geological information to further evaluate the greenstone contact zones. This drilling would refine selection of drill targets for a second phase of drilling which would test specifically for mineralized areas.

--Pending the favorable outcome of completed ground magnetic surveying and geochemical sampling, the three Crown-granted mineral claims enclosed within the present holdings (but not owned by Golden Rule) should be evaluated with regard to their attractiveness for option.

MINERAL ACT - PROVINCE OF BRITISH COLUMBIA

Record of Mineral Claim
FORM G

MAP NO. _____ RECORD NO. _____

MINING RECEIPT NO. _____ RECORDED AT _____ B.C. THIS _____ DAY OF _____ 19____

DO NOT WRITE IN
SHADED AREAS

MINING RECORDER

MINING DIVISION

Affidavit
for
Mineral
Claim

I, MICHAEL FOX AGENT FOR _____
NAME
4224 A - 16A ST. S.W. NAME
CALGARY, ALBERTA T2T-4A4 ADDRESS
 VALID SUBSISTING F.M.C. NO. 187629 VALID SUBSISTING F.M.C. NO.

MAKE OATH AND SAY:- I COMMENCED LOCATING THE HQ A MINERAL CLAIM

ON THE 22 DAY OF JULY, 1980 AT 12:00 NOON AND COMPLETED THE LOCATION
(TIME INDICATE A.M. OR P.M.)

ON THE 23 DAY OF JULY, 1980 AT 6:00 P.M. CONSISTING OF
(TIME INDICATE A.M. OR P.M.)

4 UNIT LENGTHS NORTH AND 5 UNIT LENGTHS WEST AND I HAVE IMPRESSED ALL THE REQUIRED INFORMATION
(NUMBER) (DIRECTION) (NUMBER) (DIRECTION)

ON METAL TAGS NO. 48053, WHICH HAS BEEN SECURELY FASTENED TO THE POSTS AS REQUIRED UNDER THE REGULATIONS.

IDENTIFICATION POST(S) NOT PLACED WERE _____

CHECK "✓" APPLICABLE SQUARE THE LEGAL CORNER POST _____ } IS SITUATED: 275 METERS
 THE WITNESS POST FOR THE LEGAL CORNER POST _____ }
IN THE DIRECTION 138° AZIMUTHAL FROM THE POINT OF
PRECISELY DESCRIBE POSITION OF POST RELATIVE TO KNOWN TOPOGRAPHICAL OR SURVEYED FEATURES THAT RELATE TO FEATURES ON A MAP:
CONFLUENCE OF LITTLE HIXON CREEK AND HIXON CREEK
AT AN ELEVATION OF APPROXIMATELY 785 METERS
ABOVE SEA LEVEL IN N.T.S. MAP-AREA 93-G-7E.

† BEARING AND DISTANCE TO TRUE POSITION OF LEGAL CORNER POST FROM THE WITNESS POST _____
 BEARING AND DISTANCE FROM IDENTIFICATION POST TO WITNESS POST _____

I HAVE COMPLIED WITH ALL THE TERMS OF THE MINERAL ACT AND REGULATIONS PERTAINING TO THE STAKING OF MINERAL CLAIMS AND HAVE ATTACHED A PLAN, ACCEPTABLE TO THE MINING RECORDER, OF THE LOCATION.

SWORN AND SUBSCRIBED TO AT _____

THIS _____ DAY OF _____ 19____ BEFORE ME

Michael Fox
SIGNATURE

MR OR SMR STAMP

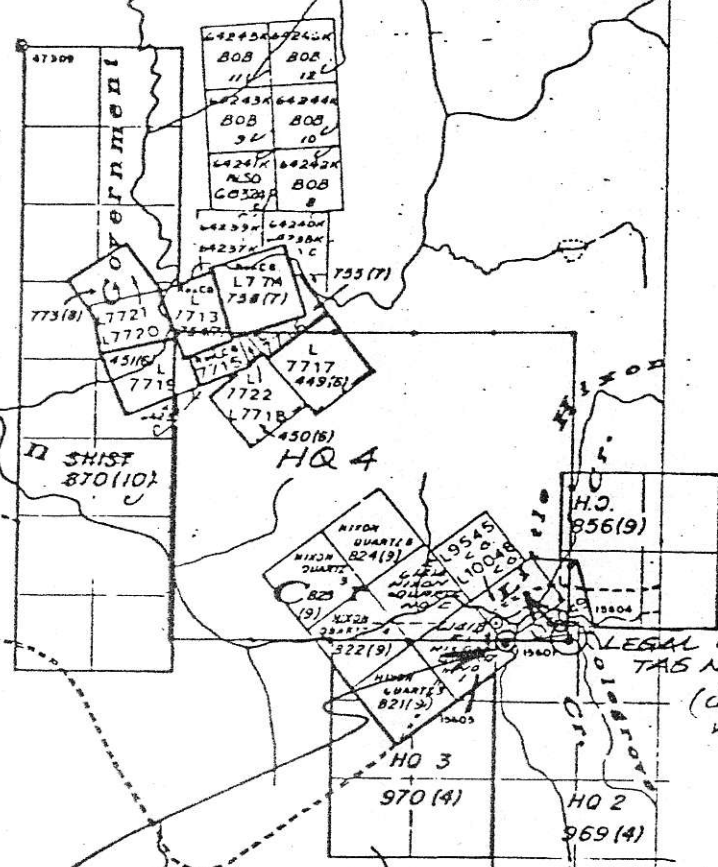
* THIS AFFIDAVIT MAY BE TAKEN BY A PERSON EMPOWERED TO TAKE AFFIDAVITS BY THE EVIDENCE ACT OF BRITISH COLUMBIA.

NO. OF UNITS _____ WORK REQUIREMENT \$ _____ RENTAL REQUIREMENT - \$10.00 PER \$200.00 WORK. \$20.00 PER \$200.00 C/L
PER YEAR

WORK NUMBERS	C/L IN \$	MINING RECEIPT AND DATE RECORDED	TYPE OF WORK	YEAR OF EXPIRY	CREDIT		TRANSFERS (B/S'S, ASSIGNMENTS, CONVEYANCES)
					WORK UNIT(S)	RENTAL IN \$'S	

OIL AND NATURAL GAS PIPELINES

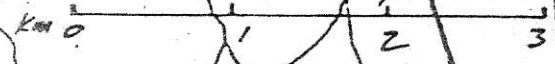
93G/7E
CARIBOO M.D.



NOTE: THIS IS A MORE ACCURATE LOCATION OF THE COMMON L.C.P. FOR HQ 2 AND HQ 3 CLAIMS

Pedley Lake

LOCATION SKETCH OF H.Q. 4 MINERAL CLAIMS NTS MAP AREA 93G/7E QUESNEL MINING DIVISION SCALE: 1:50,000



P 93G/8W