

**COTTONWOOD PROPERTY SYNOPSIS**

The Cottonwood property (Key and Kilt Claims) is located 30 km northwest of Cassiar, B.C.. The Key and Kilt claims are underlain by Devonian - Mississippian Sylvester Group calcareous shales, siltstones, limestones and chloritic greenstones. These sediments are locally folded, strike north and dip west. The Cassiar Batholith abuts the sediments on the east side of the property. Recent basalt flows outcrop over some 30% of the property. Major air photo lineaments suggest that a number of northeast striking faults cut across the property.

Mineralization in the main showings consists of disseminated to near massive galena and sphalerite in bands and lenses 0.3 to 1.0m thick associated with chert and carbonate bands within siliceous black shales. The main showings occur on the Kilt 1 claim.

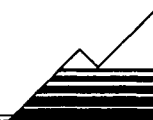
In 1983, Canamax Resources undertook a major airborne geophysical survey (672 line km E.M. and magnetic) and soil geochemical survey (3572 samples) on the claims.

Several E.M. anomalies were defined. Many were attributed to inferred graphitic horizons in the shales. A number were noted as worthy of follow up. Although many lead-zinc showings were overflowed, they did not show up as anomalous conductivity zones. Magnetic anomalies were found to be useful chiefly in mapping the extent of the basalt and intrusives, although there was some corresponding magnetic and E.M. anomalies. Parts of the survey were flown with 1km line spacings, making line to line correlations difficult.

Visual inspection of soil data indicate that anomaly thresholds for lead and zinc are 40 and 300 ppm respectively, and strongly anomalous values were set at 100 ppm Pb and 500 ppm or greater for zinc. A large soil anomaly, 3 km long, that contains the main sulphide showings, contains values up to 2090 ppm Pb, 7600 ppm Zn and 8.4 ppm Ag. Zinc seems to be more widespread than lead, the latter which coincides well with surface showings where soil values are above 100ppm Pb. No anomalous values occur in the Cottonwood Valley floor, as transported fluvial gravels have masked the bedrock derived soils. The Pb-Zn-Ag anomaly is some 3000m long by XXXX metres wide, terminating against the break in slope on the east side of the Cottonwood valley, where locally derived till is replaced by transported fluvio-glacial gravels. A second, weaker but larger zinc and silver anomaly extends for 6 km long by XXX wide along the west side of the Cottonwood Valley.

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In 1984 Canamax and Dupont Exploration Canada initiated a diamond drilling program on the Cottonwood property. The four holes, totalling 551 metres, tested down dip extensions of surface showings, as well as gravity and soil geochemical anomalies in the vicinity of the main showing. The drill hole results were discouraging, the best result was 1.06% Zn over 1m in Hole 84-CW-2. The tested gravity anomalies were not explained by drill hole intersections. Most drill holes cored limy siltstones. The host siliceous black shales seem to thin down-dip as well as the sulphide horizon in 84-CW-4.

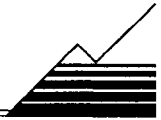
Hole (84-CW-1) was collared to test a mag anomaly that was inferred to reflect flat lying massive sulphide source. The hole intersected calcareous shale to siltstone, with distinct hornfelsing at the target depth, which was reasoned to account for the increased rock density and magnetic anomaly. Hole two targetted a magnetic anomaly and intersected carbonaceous and siliceous black shale with minor sphalerite disseminations in thin calcareous chert layers. The third hole was drilled to test a mag anomaly centred on the large geochemical anomaly. This hole also intersected siliceous and carbonaceous shale with siltstone and limestone. Fine disseminated sphalerite in 1cm chert - carbonate beds was concentrated in a limestone-chert rich section 20 thick. Strong sericitic alteration was intersected near the bottom of the hole. This sericitic zone projected onto a swampy area on surface. The weak mineralization in the hole was thought to be adequate to account for the geochemical anomaly, although the mineralization occurred at a depth of 50 to 70 metres. The final hole tested down dip extensions of the main surface mineralization exposed in trenches, where a .3-1m thick section of carbonate chert beds contain 5-10% Pb+Zn over 20m. The hole intersected the chert - carbonate and limestone beds with several 1-2 cm sphalerite stringers, higher than expected. A second, lower zone, that projected to the surface showings, also contained sphalerite mineralization.

## CONCLUSIONS AND RECOMMENDATIONS

Although the four drill holes were not particularly encouraging, several puzzling items are: 1) why such a limited drill program was carried out after such great expense was incurred in the initial geophysical and geochemical surveys? A four hole, 550 m program does not seem capable of fully exploring the large property, particularly in light of the 3 and 6 km long geochemical anomalies, and many geophysical anomalies, as well as scattered surface showings, 2) why such limited geological mapping was completed, 3) why more trenches were not completed and 4) why no ground geophysics was carried out? Both operators, Canamax and Dupont, ceased operations, leaving the project in

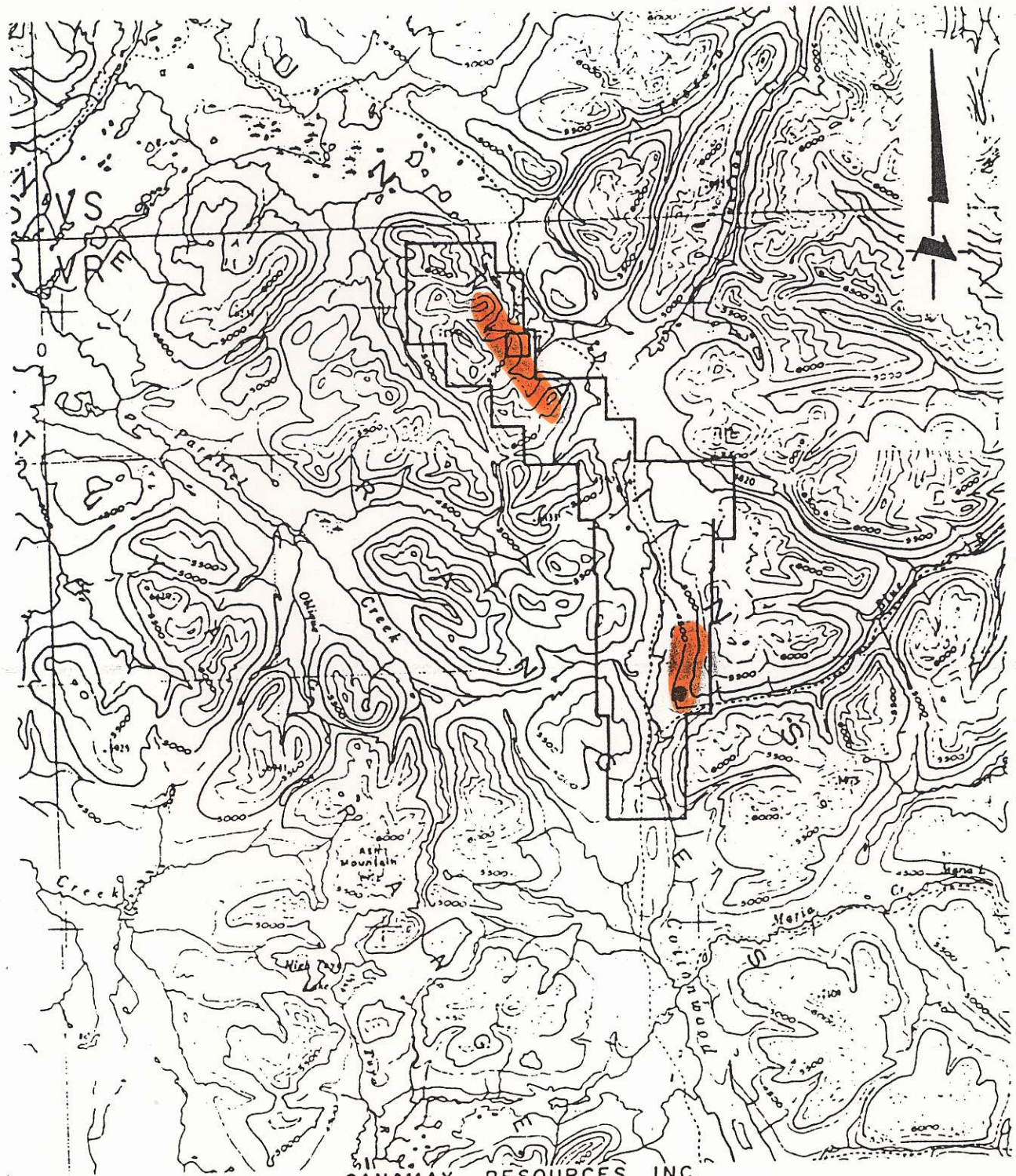
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limbo. A great deal of money was expended on the property (almost \$ 300,000), although the number of drill holes was small.


It is recommended that the ground covering the soil anomalies be staked, and additional mapping be carried out to trace the favourable horizon of siliceous black shales. Careful attention to the structure of the horizon might help better define drill targets. Air photo analysis would also help find cross faults which could offset the favourable horizon. As well, more soil sampling and ground geophysics on a control grid could help better define targets for trenching and ultimately drilling.



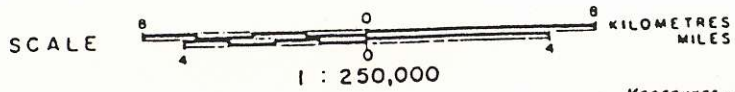
CANAMAX RESOURCES INC.

**COTTONWOOD PROPERTY**  
**KILT AND KEY CLAIMS**  
 ATLIN AND LIARD MINING DIVISIONS — BRITISH COLUMBIA

 Zn, Ag  
 ±Pb  
 anomaly

 drill hole location

**LOCATION MAP**



Vancouver —  
 N.T.S. Ref. 104 0 8, 9  
**FIG. 1**