521155

ESPERANZA EXPLORATIONS LTD.

PROPERTY EXAMINATION REPORT

THE PAYNE PROPERTY

N.T.S. 82F/14

Latitude 49°59'30" Longitude 117°12'30"

THE DOLLY VARDEN PROSPECT

N.T.S. 82K/3

Latitude 50°17' Longitude 117°16'30"

SLOCAN MINING DIVISION

OWNER: Mr. Mike McCrory

March, 1980

John Jenks

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INTRODUCTION

Two prospects in the New Denver area were examined during October 2 and 3, 1979 in the company of the owner, Mr. Mike McCrory.

The Payne property near Sandon has an extensive mining history. The upper, high-grade levels have been mined out. Remaining lode material below the 5th level becomes progressively more sphaleritic and lower grade with depth. This is accompanied by a shortening of the vein length and a splitting of the vein to the south.

The Dolly Varden prospect consists of a strong shear trending 135° within a basic intrusive. Within the shear a vein system contains occasional patches of tetrahedrite, pyrite and secondary copper oxides. However mineralization is discontinuous and grade somewhat low to justify serious interest.

THE PAYNE PROSPECT

Location

The Payne Mine area is situated on the western slope of Mount Payne at around the 5000-foot elevation. The property is accessible by road from the old mining town of Sandon, B.C., a distance of approximately 2 miles.

The Payne Mine

The following notes on the Payne Mine were taken from a property description by C.E. Cairnes in G.S.C. Memoir 184:

- Discovered 1891. The first location in the Sandon District. By the late 1890's a 110 TPD mill was in operation.

- The Payne Group consisted of the following Crown Grants:
  Payne Fr., Maid of Erin, Mtn. Chief, Two Jacks, Telelphone, Thursday Fr.
- Early production to 1905 totalled over 50,000 tons of ore averaging 120 oz./T silver, 68% lead and yielded 6000 tons of sphalerite.
- By 1933 production totalled 91,586 tons of ore.
- The Payne Lode trended N55°E dipping -50° to -70°SE in Slocan sediments. It conforms to a strong system of jointing. Quartz and feldspar porphyry dykes and sills are present.
- It is fault terminated to the north.
- It breaks into stringers to the south.
- Veins converge below #3 level.
- The deposit was mined via 7 adits over 1,450 feet (4859-6300 foot elevation) of vertical distance: No. 1(highest), 2, 3, 4, 5, 8 and 15(lowest) and 4 intermediate levels: No. 6, 7, 9, 10. Over 10,000 feet of drifting.
- Above #5 level most of the ore has been stoped. Vein width varied from 1" to 8', averaged 4 inches.
- At the 4 and 5 level, the ore shoot is 1250 feet in length.
- Below #5 level, it shortens to a few hundred feet.
- Some stoping has taken place between the 5th and 8th levels and minor stoping on the 9th and 10th.
- The lode is described as strong at lower levels but becomes predominanitly sphalerite and siderite.
- Ore minerals consist of galena, sphalerite, pyrite and minor tegrahedrite. Gangue consists of quartz, siderite, and some calcite.

- Above #4; galena with siderite.
- At #5; galena with siderite and sphalerite.
- Below 5 level, siderite with bands of sphalerite and disseminated galena.
- The two lodes present at #15 level may or may not correspond to the Payne lode above.

Examination and General Impressions

One day was spent examining the property (Oct. 2/79) accompanied by the owner, Mr. Mike McCrory. McCrory owns the following Crown Grants which cover the lower 60% of the Payne Lode: International Fraction (Lot #2834), Ocean (#1723), Reciprocity (#1722) and Lillian 4 (#1724). His father holds the following adjoining claims to the south: Big Timber (#3191), Mercury (#3531), and Redress (#3209).

Relatively little remains to be seen at surface. All adits have collapsed with the exception of the first 300 feet of the #15 adit, originally 3400 feet in total length. Fairly sizeable waste dump piles bear witness to past mining efforts. Most of the material consists of broken, black argillite with scatterings of white vein quartz. Occasional chunks of ore can be found ranging in composition from quartz/galena varieties to the siderite/sphalerite type prevailing at lower levels.

The last serious effort to re-evaluate the Payne was made in 1951 by Kootenay Belle Gold Mines Limited who re-opened the No. 15 level and re-sampled levels 8, 9, and 10. Any records of this activity that could possibly be found would aid tremendously in assessing the remaining potential of this former producer.

With very little to go on, with no assay/production records of silver grades from the lower levels, and relying heavily on the Payne property description given by Cairnes, it was felt that, at silver prices prevailing during October '79, the property had little to commend it for the following reasons:

a) The ore has been virtually all mined from the 5gh level upwards.

b) To the north the lode has been fault-terminated (not that this is a consideration as McCrory does not own this ground).

c) To the south the lode breaks into stringers.

d) Below the 5th level vein length shortens to a few hundred feet.

e) Below the 5th level siderite and sphalerite predominate. This prevalence increases with depth. The big question is, does the sphalerite at depth carry <u>any</u> silver values?

f) To the south, erosion by the Carpenter Creek valley has removed a significant portion of whatever portion of the lode existed in that direction, particularly in the upper level-high grade portions.

THE DOLLY VARDEN PROSPECT

Location, Access and Topography

The Dolly Varden prospect is situated on the southern slope of Mount Dolly Varden some 10 miles north-northeast of New Denver. Access is via the Wilson Creek and Hicks Creek logging roads, a distance of 20 road-miles from Rosebery. The final mile to the showings must be travelled by foot, a climb of 1300 feet vertically.

The showings are located in steep terrain, above treeline at an approximate elevation of 7000 to 7500 feet.

History and Ownership

Two short adits are present which were probably tunnelled around the turn of the century. The lower tunnel is collapsed, the upper at 2150 metres elevation extends into the mountain for 80 feet with a short 20-foot drift along the vein at the end of the tunnel.

Mike McCrory is the holder of two Crown Grants covering the prospect; the Dolly Varden and the Archie.

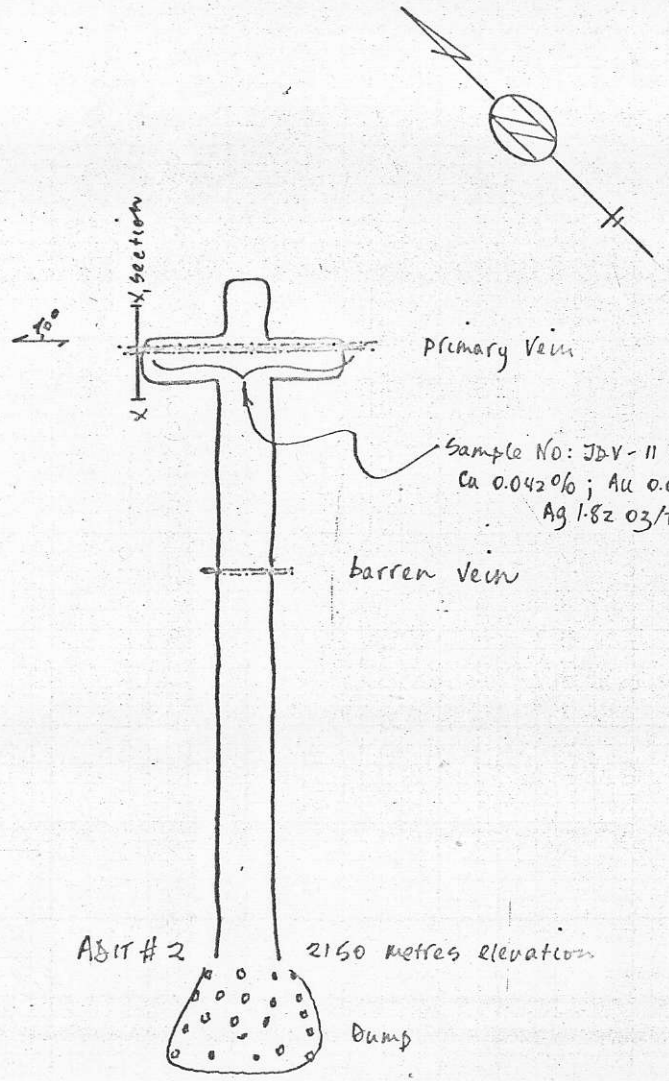
It does not appear as though any production has been undertaken in the past.

Geology and Mineralization

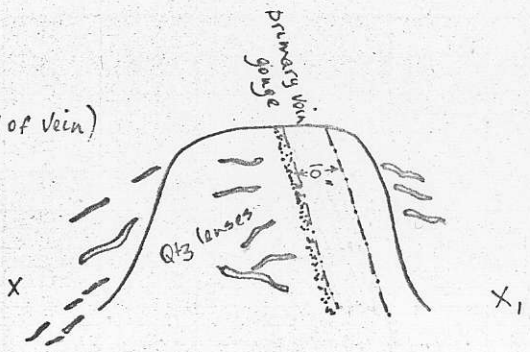
Mineralization occurs within a system of quartz veining situated within a 50 to 100 foot wide shear zone striking 135° dipping -70° to -80° northeast. Host rock is a basic intrusive stock of indeterminate age (probably Jurassic or slightly younger) approaching diorite in composition with gabbroic factions as well as zones of granite porphyry.

The vein system contained within the shear is fairly complex, has undergone multiple injection and probably subsequent remobilization to some degree. Parallel veining is common with the principal vein ranging in thickness from 10 inches to 4 feet. A second vein 30 feet to the south is a few inches thick and void of mineralization. Discontinuous lenses and this barren quartz vein segments are common in the footwall. Pinching and swelling are generally seen within the main vein as is lateral thickness variation.

Mineralization within the primary vein is fairly sparse, consisting of scattered patches of tetrahedrite, some pyrite and secondary malachite and azurite. Limonite staining is common. Small xenoliths of Slocan argillites



plan of # 2 adit
(scale 1" = 20')



Section X - X1
(not to scale)

Esperanza Explorations Ltd.
DOLLY VARDEN
PROSPECT
(New Denver area)
Plan and X-Sectional
sketch of Vein
J. Jenks Mar '80

Figure 3

are occasionally observed. Fractures and narrow gouge-filled fault zones are prevalent and oriented parallel to the regional schistosity and the vein/shear system. Wall rook adjacent to the shear system has been converted to a chloritic schist.

The main shear system is a strong feature persevering for at least 2000 feet along strike, some of which is overlain by coarse scree.

Conclusions and Recommendations

Despite the presence of a strong shear zone extending for some 2000 feet, mineralization within the quartz veins contained therein was felt to be spotty, discontinuous, and too low grade to warrant any type of serious exploration and/or mining effort. At current silver prices ($40 Cdn/oz.), an indicated grade of 1.82 oz./T silver starts to take on a greater attraction than it did in October '79, the time of examination.

Two items are worth mentioning: a) the presence of Slocan argillite xenoliths in the vein and, b) the main metallic mineralization being tetrahedrite a low-temperature mineral. It is not beyond the realm of possibility to postulate that the vein could represent the upper portion of a high grade Slocan-type silver vein.

However the irregularity of vein tenor and continuity does not suggest the prospect be placed in a high priority category.

BIBLIOGRAPH

B.C. Minister of Mines
1951: Annual Report 1951, p 174.

Cairnes, C.E.
1934: Slocan Mining Camp, British Columbia, Geol. Surv. Can. Memoir 173

1935: Descriptions of Properties, Slocan Mining Camp, B.C.; Geol. Surv. Can. Memoir 184

Hedley, M.S.
1952: Geology and Ore Deposits of the Sandon Area, Slocan Mining Camp, British Columbia; B.C. Dept. of Mines, Bulletin 29.

APPENDIX A

SAMPLE DESCRIPTION

SAMPLE DESCRIPTION

SAMPLE NO.	LOCATION AND DESCRIPTION	ASSAY FOR
HDV-11	Dolly Varden property (New Denver Dist.) Grab/channel from #2 tunnel at 2150- metre elevation. Vein quartz with patches of tetrahedrite and malachite. Limonite staining prevalent.	Cu 0.042% Au 0.012 oz/T Ag 1.82 oz/T

APPENDIX B

AREAL GEOLOGY OF THE SANDON AREA

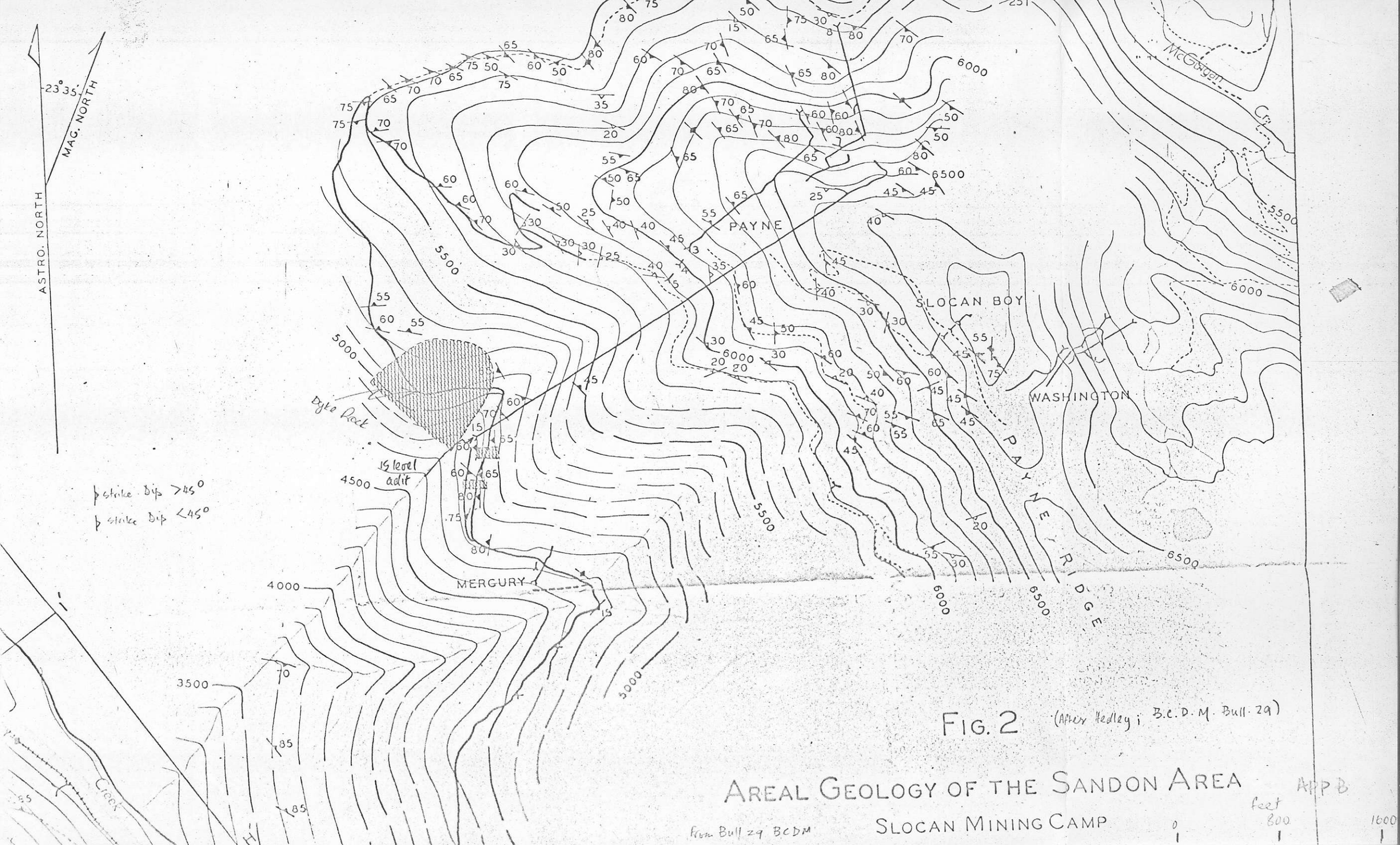


FIG. 2 (After Hedley; B.C.D.M. Bull. 29)

AREAL GEOLOGY OF THE SANDON AREA

SLOCAN MINING CAMP

From Bull 29 BCDM

App B

feet 0 800 1600

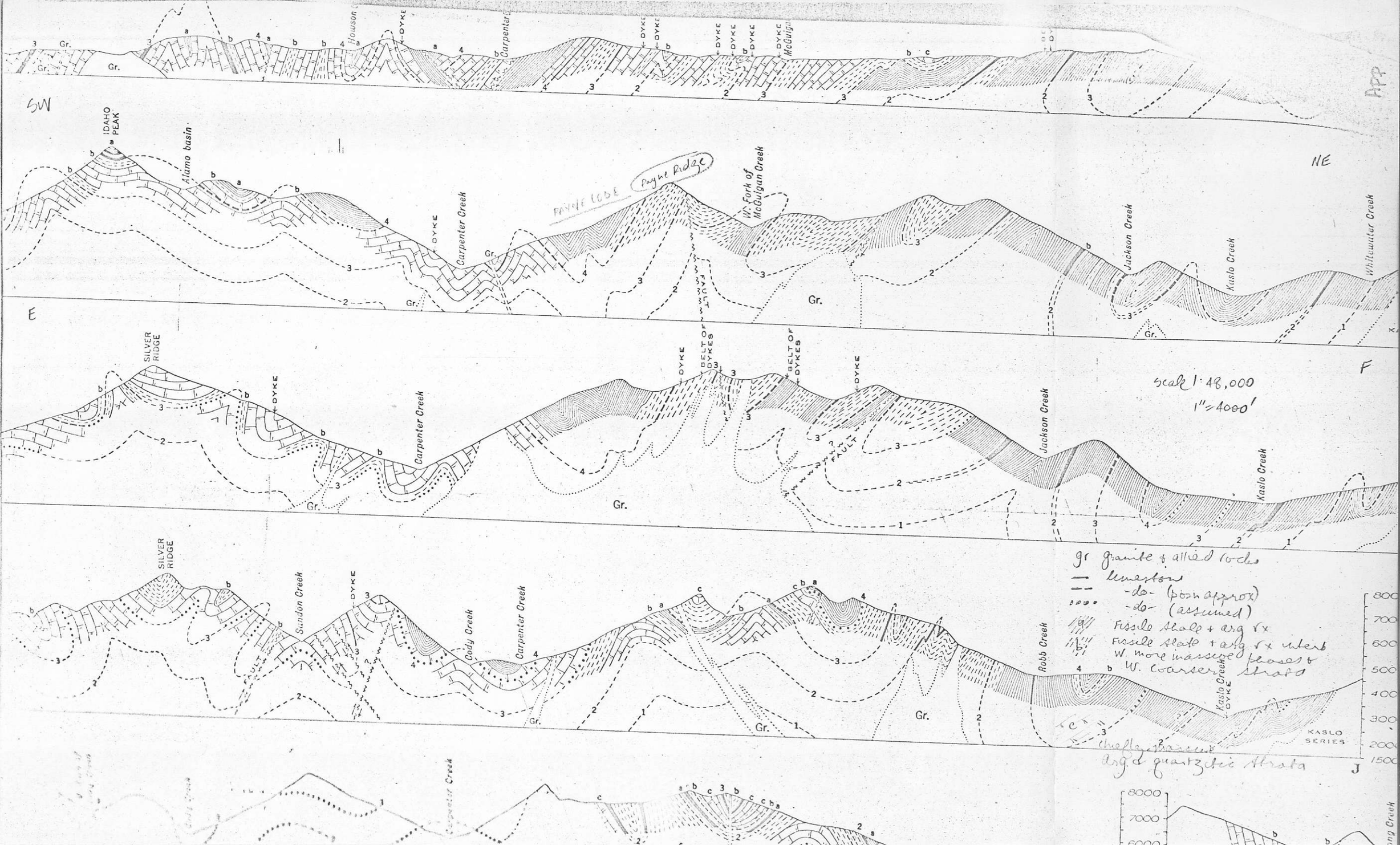
APPENDIX C

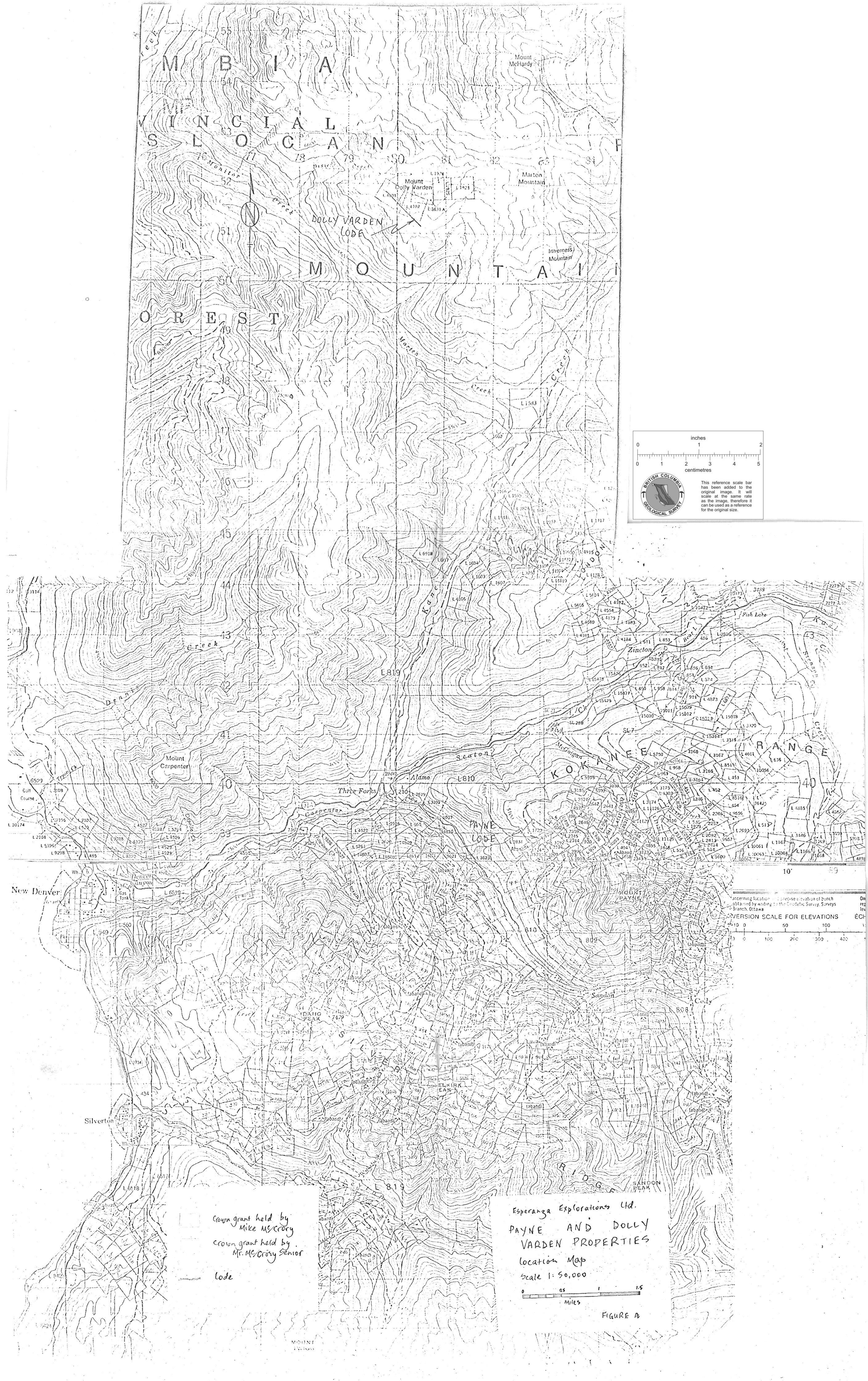
GEOLOGY OF THE SANDON AREA

WELLINGTON
SUNSET
KEYSTONE
COLORADO
HOMESTAKE
WHITEWATER
Giegerich
Bear L.
Zincton
Retallack
HILLSIDE
DEEP
LUCKY JIM
SNAP
GRINGO
MAGGIE BROWN
PEORIA
BON TON
McGuigan Cr.
ST. KEVERNE
PAYNE
OCEAN
SLOCAN BOY
GREAT WESTERN
RAMBLER-CARIBOO
SILVER BELL
RIO
WASHINGTON
SOHO
ANTOINE
RED FOX
RUBY SILVER
WINONA
BOON
CUSTER-T.P.
JACKSON
DUBLIN QUEEN
TEXAS COWBOY
REDRESS
MERCURY
SAPPHIRE
GALENA
R.E.LEE
MINNEAPOLIS
MT. PAYNE
RECO MT
MAJESTIC
LAST CHANCE
AJAX FR.
AJAX
ALTOONA
AMERICAN BOY
RECO
GOODENOUGH
STRANGER
BELL
LUCKY BOY
FOURTH OF JULY
ELKHORN
OMEGA
TEXAS
SUNSET
BLUEBIRD
U.S.
ECHO AND ALMEDA
SLOCAN SOVEREIGN
COPPER
VICTOR
MADISON
NUMBER ONE
TRADE DOLLAR
TEXAS PEAK
WONDERFUL
ARGO
CHAMBERS
VULTURE
GREENHORN
HOME RULE
Sandon
GEM
Cody
DOROTHY
RUTH
SILVERSMITH
HOPE
MASCOT
RICHMOND
EUREKA
FREDDIE LEE
SLOCAN STAR
SLOCAN KING
CODY PEAK
COLONIAL
CHICAGO
IVANHOE
ADAMS
CANADIAN
LEADSMITH
NOONDAY
Sandon Creek
Cody Creek
MT. CODY
Carpenter Creek
SANDON PEAK
MOUNTAIN CON
COMSTOCK
VIRGINIA
FISHER MAIDEN
MT. HEYLAND
Comstock Millsite

APPENDIX D

CROSS-SECTIONS SANDON AREA


SW
NE
E
F
IDAHO PEAK
Alamo basin
Payne Ridge
PAYNE LOBE
W. Fork of McGulgan Creek
SILVER RIDGE
Carpenter Creek
Jackson Creek
Kaslo Creek
Whitewater Creek
Sandon Creek
Cody Creek
Robb Creek
DYKE
BELT OF DYKES
FAULT
Gr.
KASLO SERIES
scale 1:48,000
1"=4000'
gr granite & allied rocks
limestone
-do- (position approx)
-do- (assumed)
Fissile slate + arg qx
Fissile slate + arg qx interb
W. more massive phases &
W. coarser strata
arg & quartzitic strata
8000
7000
6000
800
700
600
500
400
300
200
1500


Mount McHardy
Marten Mountain
Mount Dolly Varden
DOLLY VARDEN LODE
Inverness Mountain
Monitor Creek
Marten Creek
Kane Creek
Fish Lake
Zincton
Seaton
Alamo
Three Forks
Carpenter
Mount Carpenter
PAYNE LODE
KOKANEE RANGE
MOUNT PAYNE
Sandon
Cody
New Denver
Silverton
IDAHO PEAK
ELKIRK PEAK
SANDON PEAK
MOUNT TWINS
inches
centimetres
BRITISH COLUMBIA GEOLOGICAL SURVEY
This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.
Crown grant held by Mike McCrory
crown grant held by Mr. McCrory Senior
lode
Esperanza Explorations Ltd.
PAYNE AND DOLLY VARDEN PROPERTIES
location Map
Scale 1: 50,000
Miles
FIGURE 4