

ZN CLAIM GROUPProperty

The ZN Claim Group is located at Duncan Lake in the Lardeau District, Slocan Mining Division, British Columbia, Canada. It consists of 100 claim units totalling approximately 2,000 hectares in area. The claims are in good standing until February, 1994.

Mineralized Belt

The claims adjoin the Duncan Lake property of Cominco Ltd., where several lead-zinc zones have been explored over a strike length of 9 km in the Badshot Formation. Underground development and diamond drilling by Cominco at the Duncan Mine have defined 3,500,000 tons grading 8% Pb-Zn combined in three of the eight known mineralized zones. The ZN Claim Group lies to the east of Cominco's property and covers the down-dip projection of the Badshot Formation along the 9 km mineralized trend. The Cominco holdings, including the Duncan Mine lie along the western limb of the Howser Syncline. The eastern limb of the syncline and the trough itself are blanketed by the ZN Claim Group.

Caliche Gossan

The construction of the Duncan Dam has resulted in new erosional terraces forming along the elevated shoreline of the lake. This has exposed material which was formerly covered by vegetation and overburden, out of sight of the early prospectors. One such exposure is a caliche gossan that extends for 120 metres along the eastern shoreline. The caliche resembles "mine dump" material frequently found near developed mineral deposits. It is reasonable to assume that the rusty caliche is being sourced by a sulphide occurrence in calcareous rocks up-slope from the new surface exposure. The up-slope area from the caliche gossan is extensively covered by overburden. Rusty caliche fragments were traced uphill in the overburden for 100 metres east of the shoreline exposure. Soils in this area are consistently anomalous in zinc in the 50 ppm

to 150 ppm range. It was postulated that the source of the caliche was a Duncan Mine type deposit within the Badshot Formation. This was the rationale for the staking of the ZN Claim Group.

Drill Targets

(1) Zinc

A geophysical survey employing the E.D.A. Omni Plus V.L.F. System and magnetometer was run over part of the ZN Claim Group. Lines were run at 100 metre intervals with readings taken every 5 metres along the lines. The area covered extended north and south of the caliche gossan from the lake shore up-slope to the east. An orientation survey was run over the Duncan Mine deposit for the purpose of determining the geophysical signature generated by the mineralized zones in the Badshot Formation. The survey on the ZN Claim Group duplicated this signature on four adjoining survey lines. The anomaly is 600 m long and 75 m wide. It is still open in the up-slope direction to the south and east. The anomaly has a co-incident topographical expression. The slope of the hillside diminishes in steepness and changes direction in the anomalous area. Geochemical soil samples taken down slope from the geophysical anomaly are consistently anomalous in zinc. It is concluded that the anomaly is due to a mineralized zone within the Badshot Formation below the overburden, and that the Badshot Formation is structurally deformed in this location, possibly as an uplifted crumple within the trough of the Howser Syncline. Diamond drilling is required to test this exploration target.

(2) Copper

A second diamond drill target was identified 450 m south-west of the Badshot Formation target. Here, a 5% Cu assay was obtained from a piece of float found immediately down-slope from an 800 m long magnetic anomaly. The 5% Cu material is weakly magnetic, of the approximate order to produce the 500 gamma to 1,500 gamma anomaly immediately up-slope. The material is calcareous schist with finely disseminated chalcocite peppered along the schist planes. Malachite staining accompanies the chalcocite. It is

assumed that the material is derived from the Index Formation which overlies the Badshot Formation in the Howser Syncline. The magnetic anomaly trend is 345° , or approximately parallel to the regional strike. It is therefore structurally different from the Badshot Formation target. Diamond drilling is warranted to test the copper target as well.

Both potential drill targets are readily accessible. They lie close to the Duncan Lake Forestry Road, approximately 17 km by road from Cooper Creek. Cooper Creek is on paved Provincial Highway No. 31, 40 km north of Kaslo.

Proposal

The ZN Claim Group is owned jointly by W. Don Sutherland and E. Allan Tipman. The owners propose an outright sale of the property subject to a royalty on net smelter returns. The terms of agreement are negotiable, and any reasonable offer will be seriously considered.



W. Don Sutherland
Geological Engineer

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MAGNETOMETER LINE 400S

