

PRELIMINARY REPORT
ON
PANTHER MINES LTD.

N.T.S. 114-P-10

Vancouver, B.C.
Sept. 21, 1972

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Combined with a trip to examine both Van Tassell's and Silver Standard's copper occurrences west of Minto (Y.T.), a rapid examination was made (along with Ivor Elliott) of the newly discovered porphyry copper occurrence of Panther Mines Ltd. This is reportedly under 'verbal' option to Placer following a preliminary examination by Phelps Dodge.

Panther's claims include ground interstitial to our Maid of Erin group plus an additional two or three miles of claims north and east. About one mile west of 3 Guardsmen Lake on the Haines Road we found some workings at the coordinates described by Mr. Hilker (Panther consultant) but found these difficult to correlate with published descriptions. Access to this point, at about 4400' elevation, is via passible 3-mile Cat road leaving the Haines cut-off highway at mile 57.5. (See sketch map PP72/1 accompanying.)

The well exposed country rock for a mile or two around the "above tree-line" showing is mapped as a quartz or grano-diorite (K.D.P. Watson - Bulletin #25, B.C.D.M. - copy of map enclosed) but more resembles alaskite due to the near absence of mafics. Leuco quartz-diorite may be an acceptable term. In the vicinity of the main showings this rock appears cut by a couple north-south linears (faults) and in between and around the faults - separated several hundred feet from one another - the granitic rock has taken on a flattish layered appearance. Some of this is undoubtedly due to pre-existing banding within meta-sediments now largely, but not totally, digested by the

intrusive. Such remnants are common within this particular granitic mass as are rounded fragments of what would appear to have been andesite dykes or flows. An erratic andeso-basalt dyke system(?) complicates the situation in that about 10 feet of this material appears to overlie the flattish or tabular system as well as occupying other openings available. Hilker suggests the set-up to be one of a breccia pipe intruding an earlier granitic rock but good evidence of such is lacking. Copper mineralization - generally bornite and chalcopyrite (molybdenite evident in earlier picked(?) specimens) is weakly spread throughout a zone roughly 800 feet long N.W. and about 600 feet wide. Mineralization terminates rapidly to the southeast but trends on to the N.W. being lost in felsenmeer. Concentrations occur where the north-south fault structures intersect the tabular structures. Quartz-filled fractures are more common here and are themselves occasionally mineralized as are the inclusions (or breccia fragments?) which resemble the unmineralized dyke rock common in the central portion of the property.

Alteration within the mineralized zone has resulted in complete bleaching(?) of the mafic hornblende and biotite (although there was very little originally) with some alteration to sericite. K-feldspar is not evident on a colour basis but could exist. Malachite is evident whenever a rock containing our red copper fungus is turned over or broken. Surface leaching is evident but not severe enough that grade predictions can not be made.

Suggested overall grade could be in the order of 0.5% (company reports as enclosed suggest 0.3 to 1.0% taken along a series of shallow rock trenches generally paralleling the better grade(?) 200-foot(?) wide tabular structure) and reserves to date are not significant.

There is the ever present chance that we are looking at the vertex of an intrusion and a mine exists at depth. However, for the following reasons we would limit any offer we made to a fraction of the asking price -- i.e. for \$1,000 down and a \$30,000 work commitment we would have a look at the property combining it with the long delayed plans we have for the Maid of Erin.

Deterrents are:

- (1) Grade low except on picked specimens. Considerable unmineralized dyke rock not taken into Hilker's grade estimation. Surface leaching not so extensive that a "much higher grade" exists at depth.
- (2) Mineralization of limited extent. Inclusions within 300 X 800 foot zone are mineralized but those outside are not, suggesting a weak mineralizing process. Traverses encircling the mineralized zone (90% rock exposures) failed to suggest extensions despite supposedly favorable meta-sediment bands and similar granitic rock.
- (3) A suggestion that a flattish 50-foot thick mineralized band (possibly selvage mineralization related to an overlying dyke or sill) may constitute the whole deposit.

Favorable criteria are:

- (1) An ideal open pit situation with low stripping ratios and easy road access.
- (2) A high-grade concentrate (bornite-chalcopyrite).

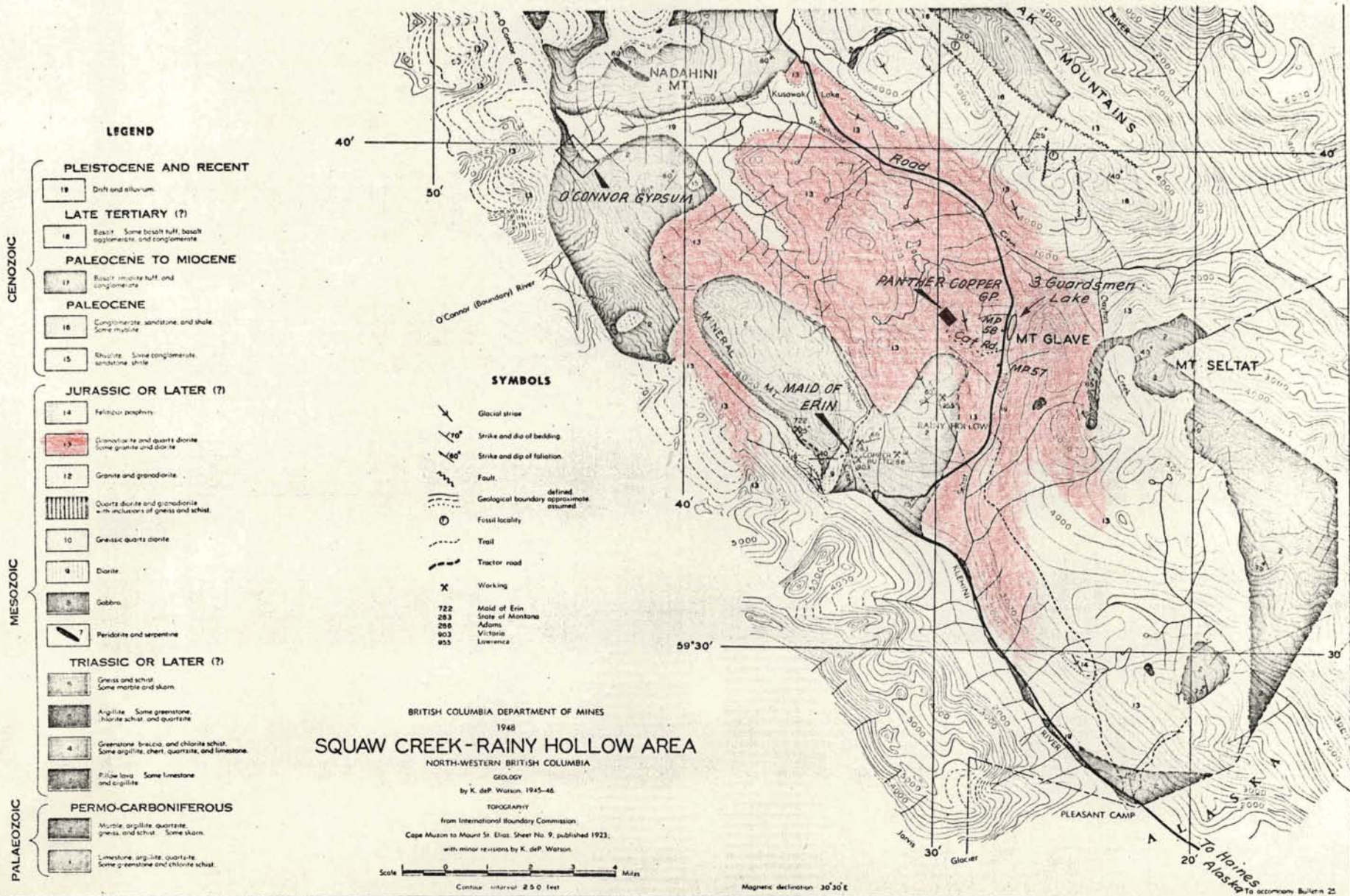
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Enclosures: Excerpt - G.C. Newsletter
Map PP-72-1
Map PP-72-2

Sketch Map: PANTHER MINES PORPHYRY COPPER
Haines Road, Rainy Hollow Area,
 N.W. B.C.



LEGEND

- CENOZOIC**
- PLEISTOCENE AND RECENT**
- 18 Drift and alluvium.
- LATE TERTIARY (?)**
- 18 Basalt. Some basalt tuff, basalt agglomerate, and conglomerate.
- PALEOCENE TO MIOCENE**
- 17 Basalt, rhyolite tuff, and conglomerate.
- PALEOCENE**
- 16 Conglomerate, sandstone, and shale. Some mudstone.
- 15 Rhyolite. Some conglomerate, sandstone, shale.
- MESOZOIC**
- JURASSIC OR LATER (?)**
- 14 Felsitic porphyry.
- 13 Granodiorite and quartz diorite. Some granite and diorite.
- 12 Granite and granodiorite.
- Quartz diorite and granodiorite with inclusions of gneiss and schist.
- 10 Gneissic quartz diorite.
- 9 Diorite.
- 8 Gabbro.
- 7 Peridotite and serpentine.
- TRIASIC OR LATER (?)**
- 6 Gneiss and schist. Some marble and skarn.
- 5 Argillite. Some greenstone, chlorite schist, and quartzite.
- 4 Greenstone breccia and chlorite schist. Some argillite, chert, quartzite, and limestone.
- 3 Pile of lava and argillite. Some limestone.
- PALAEZOIC**
- PERMO-CARBONIFEROUS**
- 2 Marble, argillite, quartzite, gneiss, and schist. Some skarn.
- 1 Limestone, argillite, quartzite. Some greenstone and chlorite schist.

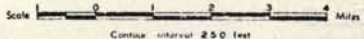
SYMBOLS

- Glacial stripe
- Strike and dip of bedding
- Strike and dip of foliation.
- Fault.
- Geological boundary approximate defined assumed
- Fossil locality
- Trail
- Tractor road
- Working
- 722 Maid of Erin
 283 State of Montana
 286 Adams
 803 Victoria
 855 Lawrence

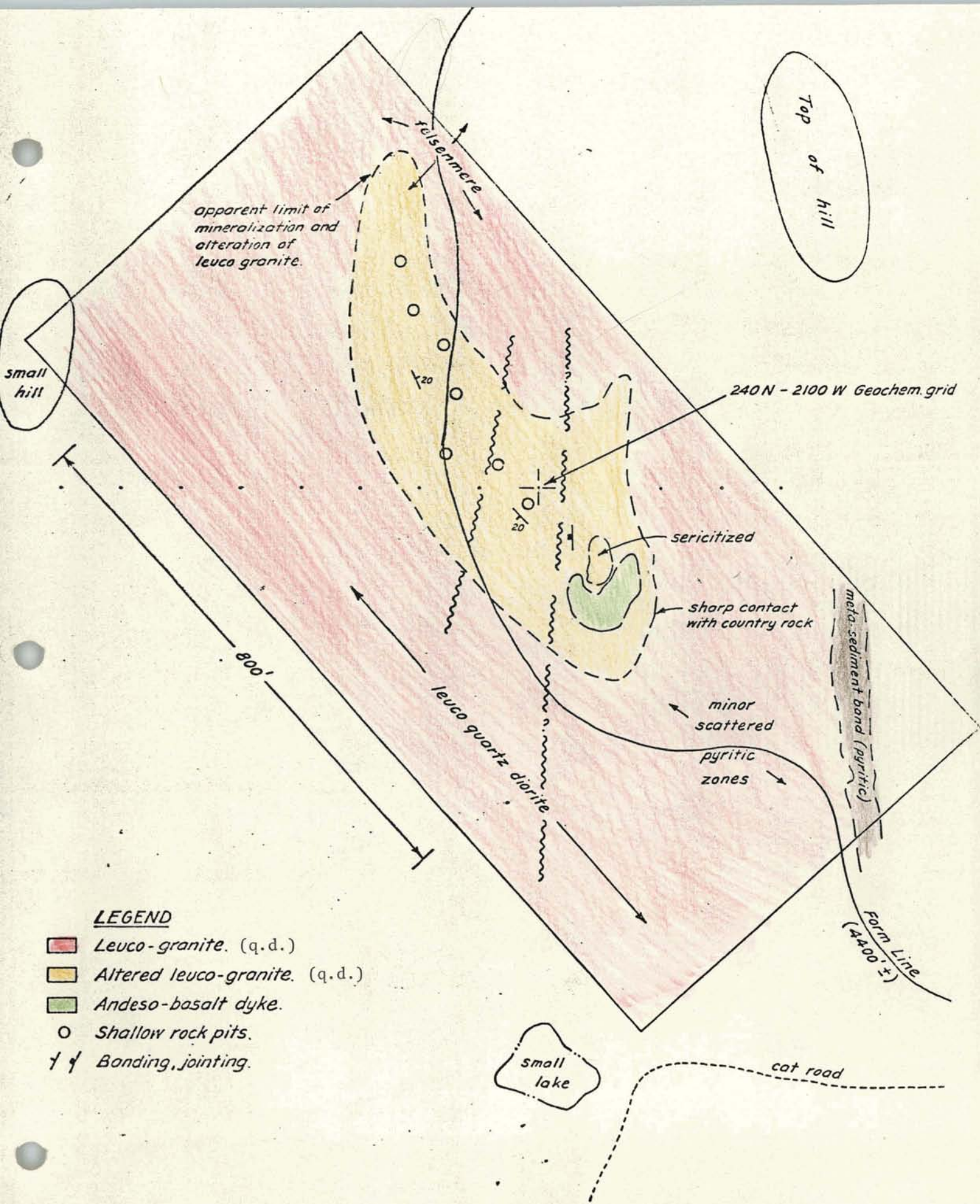
BRITISH COLUMBIA DEPARTMENT OF MINES
 1948
SQUAW CREEK - RAINY HOLLOW AREA
 NORTH-WESTERN BRITISH COLUMBIA

GEOLOGY
 by K. deP. Watson, 1945-46

TOPOGRAPHY
 from International Boundary Commission.
 Cape Muzon to Mount St. Elias, Sheet No. 9, published 1923,
 with minor revisions by K. deP. Watson.



Magnetic declination 30°30'E



Sketch Map - Main Zone - Panther Porphyry Copper Showing
Haines Rd - Rainy Hollow Area, N.W. B.C.

PP-72-2
NTS. No. 114-P-10E

PANTHER MINES LTD.

DEAL WITH PLACER DEVELOPMENT - Herbert Fichtner, president of Panther Mines Ltd., told the AGREED TO - CONTRACT BEING DRAWN annual meeting that an agreement has been reached, on a verbal basis, with Placer Development Limited on the 250 claim property located in the Rainy Hollow area of B.C. The access to the property is by road 1.5 miles north of Surprise Lake, 16 miles east of Atlin, B.C., in the northwest corner of the Province. The meeting was told that the terms of the agreement are to be put into a contract which is expected to be completed in the next two weeks.

R.G. Hilker, P. Eng., told the meeting that the original discovery was another success for soil sampling survey work. The anomalous area located by the survey is some 2,000 feet by 2,000 feet. He said there is little or no pyrite in the area and very little gossan. The geological mapping indicates the copper mineralization is in either a breccia pipe or a complicated structure of younger granites intruding older granites. An area 800 feet by 800 feet within the porphyry has been tested by a series of blast trenches which revealed very shallow overburden. Sampling of about 15 of these blast trenches returned values of between 0.5% and 1.0% copper within the favourable structure.

Mr. Hilker said that the next phase of exploration will be up to Placer Development but that he would expect that it will include detail geological mapping, soil sampling and induced polarization work plus diamond drilling. He said that from the results to date the prospect certainly deserves drill testing almost right away.

Mr. Fichtner told the meeting that while the company is out of funds at present he does not anticipate any early financing nor that the company will be actively exploring any of its other mineral properties in the immediate future.

The meeting approved the transfer of shares in escrow as follows: 50,000 shares each from Herbert Fichtner to Adolph, Eugene, Berthold and Reinhold Fichtner (a total of 200,000 shares) from Joyce Hilker and George Wolanski to Bruce Rome 16,667 shares; from Joyce Hilker to David Gallen and to Ernest S. Peters 16,666 shares each.

The meeting elected: Herbert Fichtner, holding 620,616 shares; K. Bruce Rome, 85,123 shares and Ernest S. Peters, 85,129 shares as directors.

In the financial statements for the five months to May 31, 1972, it shows that the company spent \$13,925 and ended the period with a working capital deficit of \$1,426 when there were 1,595,002 shares issued of the 3,000,000 shares authorized.

PANTHER MINES LTD.

PLACER DEVELOPMENT LIMITED

RAINY HOLLOW EXPLORATION - Panther Mines Ltd. has completed a 70-30 exploration agreement on AGREEMENT REACHED WITH PLACER its Rainy Hollow copper property, at Mile 55 on the Haines Road in the northwest corner of B.C. east of the Alaskan Panhandle, with the Placer Development Limited subsidiary, Canadian Exploration Limited.

Placer paid \$10,000 to Panther upon execution of the agreement and has undertaken to carry out an exploration program. It is expected that such a program of prospecting, exploration and development in search for minerals will start in the near future. Placer will earn a 70% interest if the property is put into production.

The agreement provides that in order for Placer to retain its interests it must, by January 1, 1973, form a new 2,500,000 share company, loan to Panther \$10,000 which will only be repayable out of dividends from the new company, and give notice that it intends to have spent a minimum of \$50,000 on the property by July 31, 1973. The next phase of the agreement calls for a further advance to Panther of \$20,000 on or before August 1, 1973. In order to retain its interest after January 1, 1974, Placer must have incurred a minimum of \$150,000 in exploration expenditures on the property by that date. In each of 1974 through 1979, Placer has the option to advance a further \$50,000 to Panther and expend a minimum of \$200,000 on the exploration of the property to maintain its option.

Placer has the option to give production notice any time until January 1, 1979. If such notice is given, Placer is to provide all the funds necessary to attain such production. And if such production notice is given, Placer is to advance to Panther from January 1, 1981, and each year thereafter a maximum of \$100,000 until dividends from the new company exceed \$200,000. All loans will be repaid to Placer out of dividends received by Panther in excess of \$100,000.

Work to date on the property by Panther has located a soil sampling anomalous area 2,000 feet by 2,000 feet, within which blast trenches over an area 800 feet by 800 feet, revealed a shallow overburden and 15 samples with grades, from within the favourable zone of between 0.5% and 1.0% copper.

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