

JCS office

BC GOLD SYNDICATE FIRST QTR APRIL 10 1980

JCS OFFICE

B.C. GOLD SYNDICATE

FIRST QUARTER REPORT

January 1 - March 31, 1980

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B.C. GOLD SYNDICATE

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J.C. Stephen Explorations Ltd.
1124 West 15th Street,
North Vancouver, B.C.

April 10, 1980

B.C. GOLD SYNDICATE

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The first annual meeting of B.C. Gold Syndicate was held January 21, 1980. The Initial Stage program for 1980, with emphasis to be on exploration in the Queen Charlotte Islands, was approved with a budget of \$120,000.00. A separate program for CRESCENT claim group was approved with a budget of \$70,000.00.

The draft agreement covering formation of the syndicate was revised to accomodate several changes suggested by participants. This revised draft was submitted by the Manager at the end of January. A copy of the revision for tax purposes was submitted by Newmont to each participant.

Compilation of 1979 data proceeded throughout the quarter. Shearer examined a number of thin sections of rock types and expects the information to be of considerable value during the more detailed mapping of claim groups this summer.

Assessment reports were prepared and filed to cover work on the CRESCENT, ALDER, WHITE BEAR, DEADWOOD, LYELL and HAWKS NEST claim groups.

An airborne magnetometer survey was carried out on the CRESCENT and ALDER groups. Preliminary maps were forwarded to the crew on the Queen Charlottes at the end of March and have not been examined in this office.

Recruiting of field crew for 1980 has been completed. Shearer, left for the Charlottes on April 2 and, with three men, has commenced work on ALDER group. Contract crews for IP surveys and deep overburden soil sampling have been arranged.

An examination of data available for the Queen Mine at Salmo B.C. was undertaken in January and a brief report was submitted to the Participants at the annual meeting. The potential of the property did not appear sufficient to warrant the expensive program necessary to rehabilitate and explore the property.

Some research has been done to outline favourable areas for future reconnaissance exploration. In this regard it is hoped the policy of each Participant may be indicated by September of this year.

For the expanded work on the Queen Charlottes substantial money is being spent on equipment. This includes purchase of the boat and motor which was a large rental item last season. SSB radios are being purchased second hand and are already in use.

Progress made by the South Moresby Resource Planning Team has become serious. We have been in contact with Ken Northcote (now with BEMA), Ted Bowles, Jim Fyles, Nick Carter and Tom Schroeter of the B.C. Ministry of Mines, with Brian Downie and Keith Moore, both government employees, who are active participants in the South Moresby Committee and Jim McDougal and Rick Higgs of the B.C. - Yukon Chamber of Mines.

A copy of a recent letter from Downie is attached. There is an apparent lack of co-operation between the South Moresby Committee and representatives of this industry including Tom Schroeter.

A financial report is provided with this report.

The following outline of current plans is provided from notes by Shearer.

Mobilization to a camp in Section Cove is planned for April 5, 1980. A program of trenching, geological mapping and follow-up soil sampling will be undertaken. A preliminary compilation of airborne magnetometer results indicates several anomalies that require examinations.

Work on the CRESCENT Claims is scheduled to begin on May 1 with emphasis on detail geological mapping and further soil sampling. Limited IP will be conducted after May 15. Trenching should continue through June. An initial compilation of the airborne magnetometer survey has been received.

Assessment credit has been applied on all claims except TAR 1 - 4 and RAMBLER PHOENIX. Enough work is planned to be done before expiry date to hold these two areas. Six Assessment Reports were submitted on April 2, 1980 for a total of 41,700.00 dollars work.

Individual recommendations for the 1980 programs on each property are contained in the Summary Report dated January 1980 and the appropriate Assessment Reports.

Briefly these are:

- CRESCENT Claims - Completion of geological mapping, IP, deep soil sampling, prospecting at boundaries of claims especially at north end of CRESCENT 1 and 5, staking CRESCENT 6 immediately north of CRESCENT 5. Comprehensive trenching. Heavy mineral separates on limited bulk soil samples. Follow up of air anomalies by ground surveys.
- ALDER Claims - Ground follow up of prominent Air mag anomalies, soil sampling, intensive prospecting, geological mapping, Limited trenching on Alder and Huxley Islands.
- WHITE BEAR - Limited trenching on silicified zone, geological mapping, limited soil sampling.
- DEADWOOD - Very limited geological mapping, check two slightly anomalous soils. Find out results on Buckhorn Creek drilling.
- LYELL Claims - No follow up planned. 3 years assessment applied.
- TAR Claims - Geological mapping, soil sampling, basic prospecting of entire east Lyell Island.
- HAWKS NEST - Limited geological mapping, some check soil sampling, location and sampling of all old workings.
- EASY - Detail prospecting and reconnaissance geological mapping. Recce soil sampling. Checking on anomalous areas identified by previous work in the area.

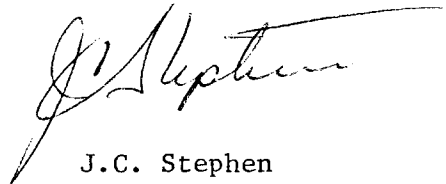
Tentative new exploration targets include gold showings in the Stikine River Area, Bella Coola syenitic rocks and basic intrusives near Kennedy Lake, Vancouver Island. An investigation of old placer gold reports on the Brooks Peninsula near Kyuquot may be undertaken while work is in progress on Easy Inlet.

A petrographic examination of the various thin section suites will help in detail geological mapping in 1980.

A sketch of hypothetical events leading to the formation of the gold bearing pluton at Crescent Claims is attached to this report as supplied by Shearer.

Respectfully submitted

J.C. Stephen Explorations Ltd.



J.C. Stephen

JCS/ms

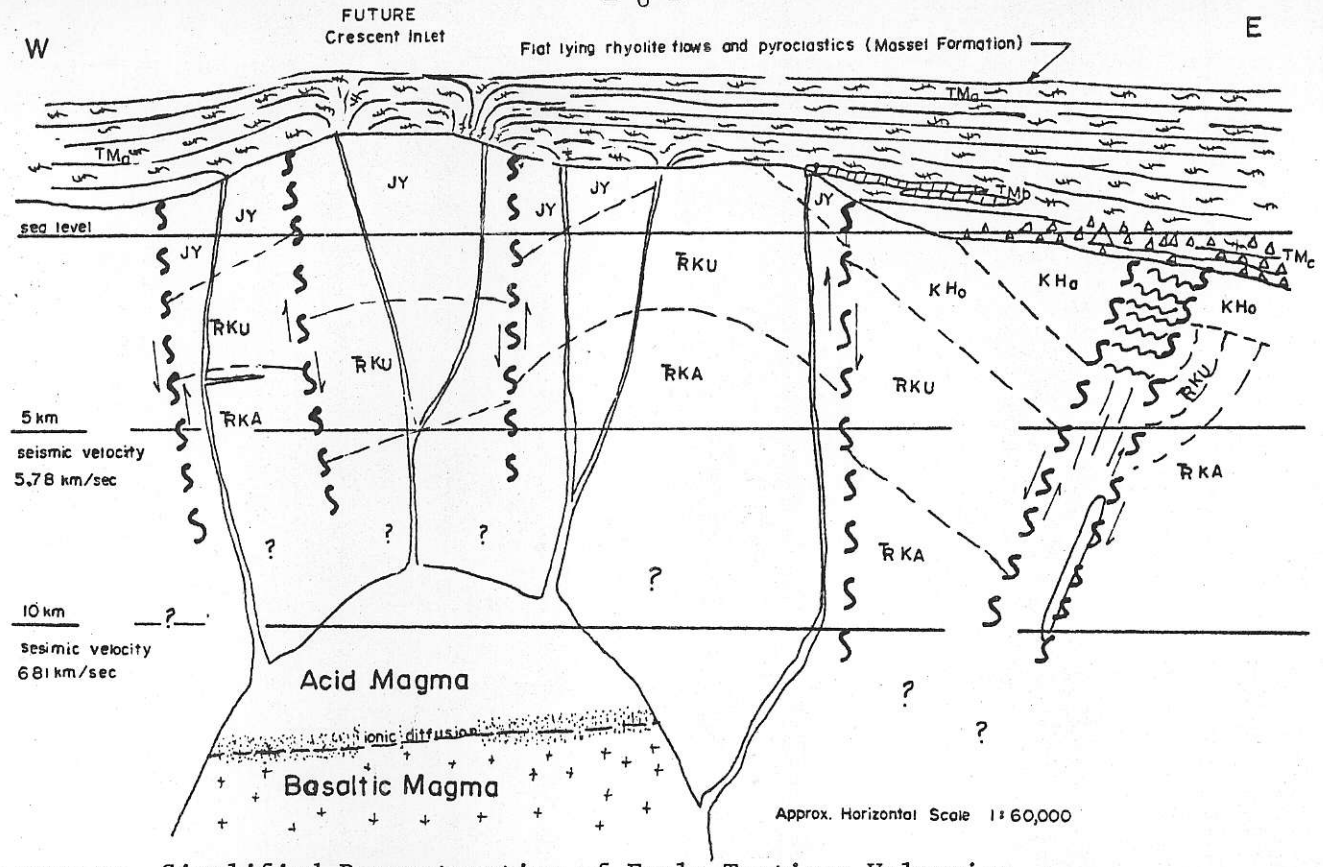


FIGURE 13a — Simplified Reconstruction of Early Tertiary Vulcanism. Generation of acid magma at 10km depth and extrusion of rhyolite flows and pyroclastics forming a semi plateau surface. Note: Underplating of upper magma chamber by basaltic magma (For Legend refer to Figure 3)

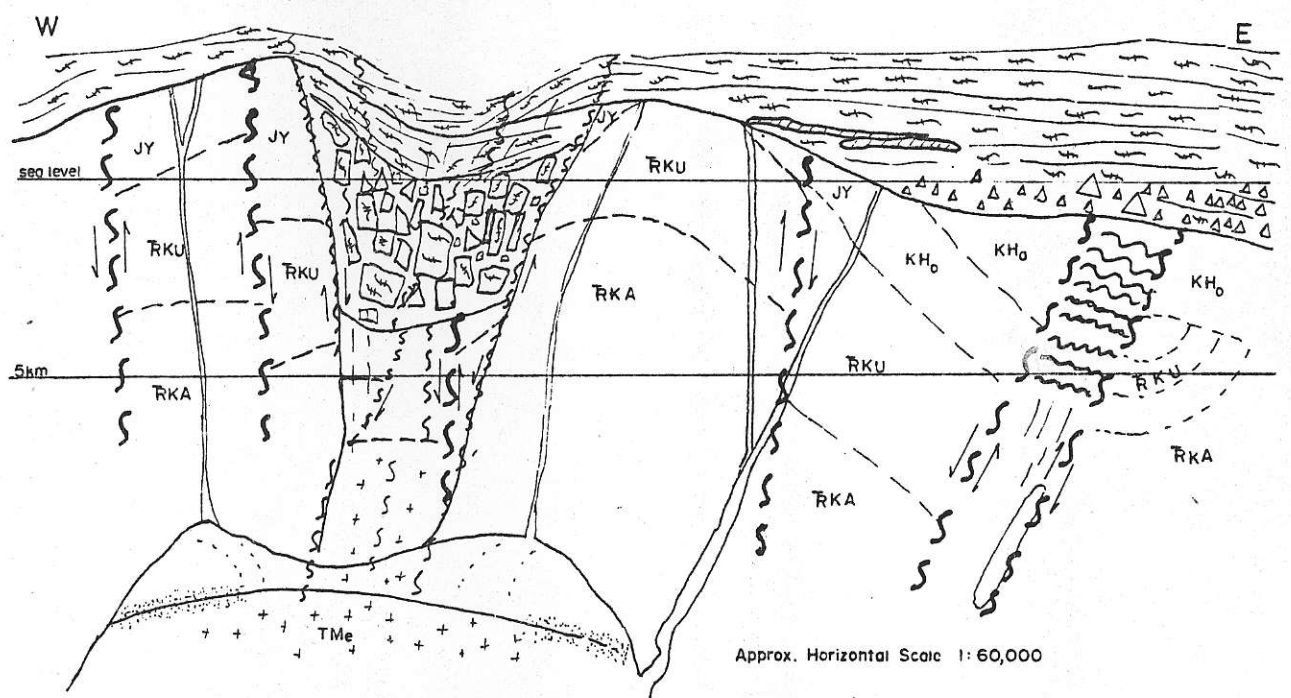


FIGURE 13b Collapse of upper, central magma chamber and/or major explosive episode creating megabreccia zones along a northwest trending fissure.

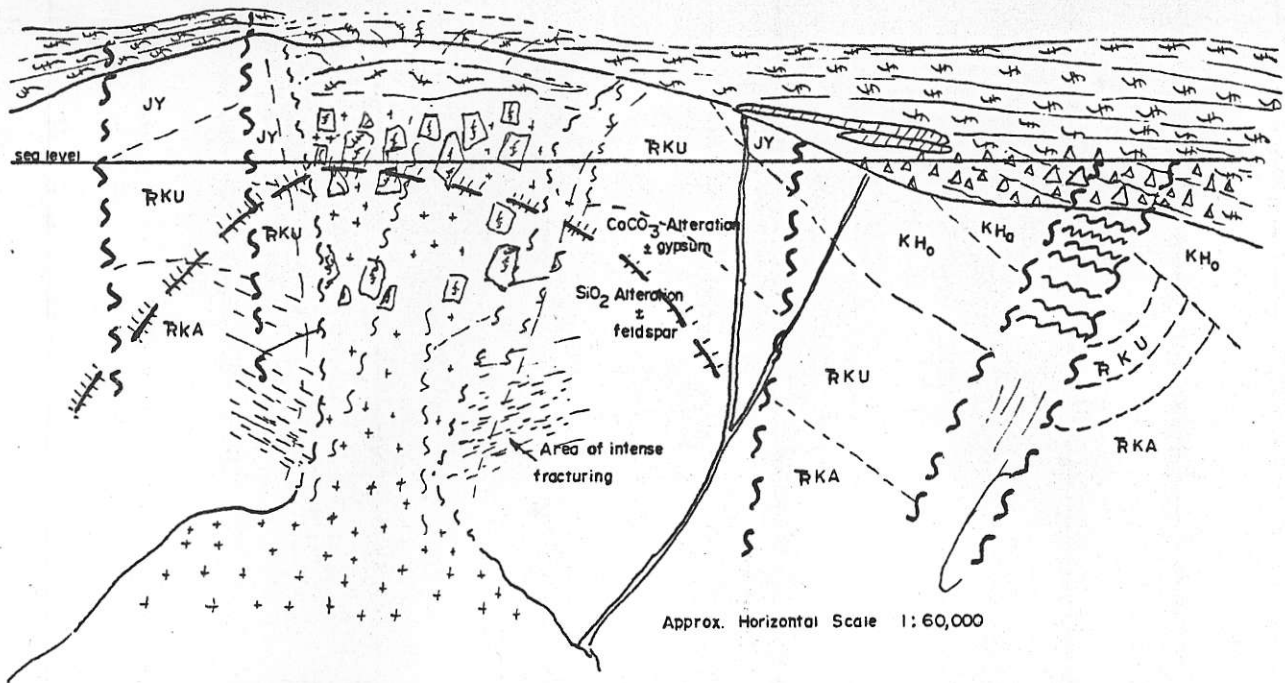


FIGURE 13c Resurgence of magma (basaltic composition) with attendant hydrothermal alteration, gas streaming Note: alteration zoning, timing of alteration critical in a sealed geothermal system. Passive intrusion of basic magma to form various phases of gabbro.

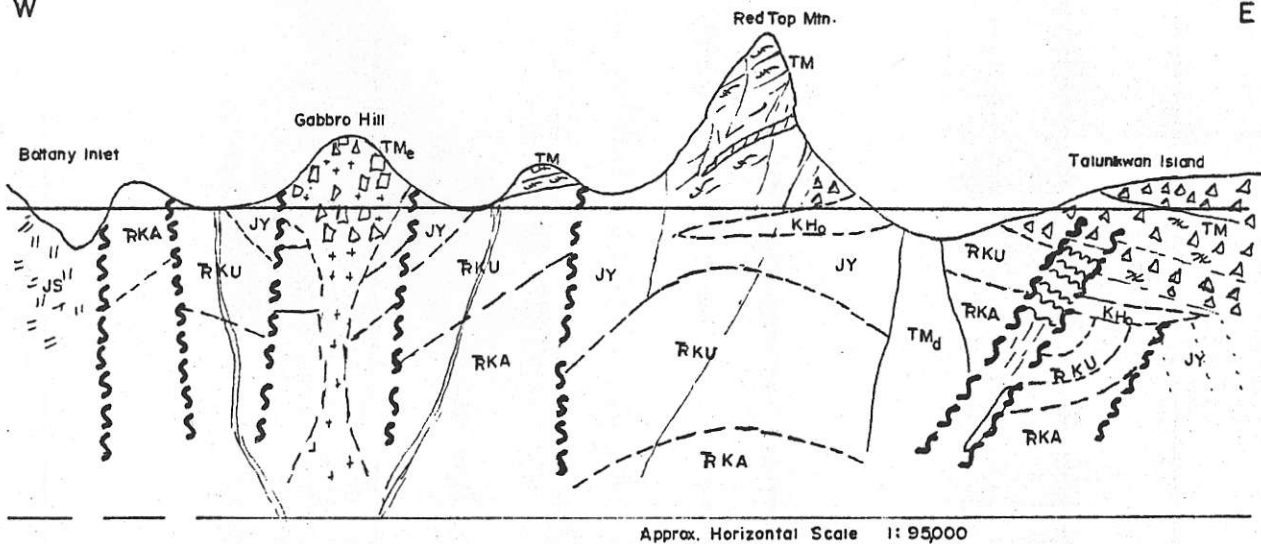


FIGURE 13d Composite cross-section through Crescent claims, Recent uplift and erosion. Major faulting also parallel to section which drops the southern block down.

B.C. GOLD SYNDICATE

FINANCIAL REPORT

January 1 - March 31, 1980

<u>Item</u>	<u>March 31</u>
MACHINERY & EQUIPMENT	\$ 2,136.46
AUTOMOTIVE EQUIPMENT (BOAT)	4,684.16
MAPS, PHOTOS, PUBLICATIONS	135.65
ASSESSMENT RECORDING	2,125.00
GEOCHEMISTRY	27.41
SUB-CONTRACTS (Air Mag)	4,100.00
CASUAL LABOUR	687.87
SALARIES & BENEFITS	6,794.81
WORKERS' COMPENSATION	233.64
TOOLS AND SUPPLIES	582.19
BLUEPRINTING, DRAFTING AND SUPPLIES	443.03
EQUIPMENT RENTAL AND REPAIRS	(50.00)
VEHICLE OPERATING COSTS	754.85
TRAVEL EXPENSE	1,026.11
TELEPHONE, POSTAGE	240.96
INSURANCE	481.00
J.C. STEPHEN EXPLORATIONS LTD. SERVICES	2,608.36
OVERHEAD	981.07
LICENSE FEES	104.00
INTEREST AND BANK CHARGES	<u>8.21</u>
TOTAL	28,104.78
CONTRIBUTIONS	37,000.00
BALANCE PER BANK March 31, 1980	8,895.22

CRESCENT PROJECT

FINANCIAL REPORT

January 1 - March 31, 1980

<u>Item</u>	<u>March 31</u>
MAPS, PHOTOS, PUBLICATIONS ETC.	\$ 3,264.28
SUB-CONTRACTS (Air Mag)	<u>4,100.00</u>
TOTAL	\$ 7,364.28
CONTRIBUTIONS	20,000.00
BALANCE PER BANK March 31, 1980	\$ 12,635.72



APR 08 1980

Regional Manager
Market Place
Prince Rupert, B.C.
V8J 1B9

April 1, 1980

Stephen Explorations Limited
1124 West 15th Street
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V7P 1M9

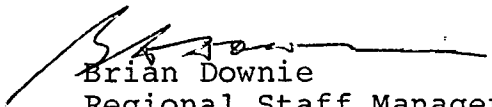
Attention: Mr. J. C. Stephen

Dear Sir:

In your letter of February 12, 1980 you requested information on proposed reserves on Moresby Island. Please refer to the attached map, which outlines those areas within the South Moresby Planning Area that the South Moresby Resource Planning Team has identified as having a high priority for some form of preservation.

The South Moresby Resource Plan is still in its formative stages, and the information shown on this map must be viewed as preliminary. The South Moresby Resource Planning Team is currently examining all areas south of the Tangil Peninsula to assess the suitability of varying degrees of preservation. Ultimately, therefore, preservation areas may extend beyond the areas presently shown as having a high priority for preservation.

Yours truly,


Brian Downie
Regional Staff Manager
Forestry

Attach.



S.M.R. P.T.
Consensus Preservation
Areas - December 1979
(shown in red)
Note: some of these areas
already possess some form
of reserve status.

