

**REPORT**

**TO SUPPORT DAMAGE CLAIM  
re THE TERRACE, B.C, PROPERTY  
of CREE LAKE MINES LTD.**

by: W.R. Bacon

671622

March 10, 1976



**BACON & CROWHURST LTD.**

1720-1055 West Hastings Street  
Vancouver 1, B.C.

REPORT  
TO SUPPORT DAMAGE CLAIM  
re  
THE TERRACE, B.C., PROPERTY  
of  
CREE LAKE MINES LTD.

by

W.R. BACON, Ph.D, P.Eng.

Vancouver, B.C.

March 16, 1976.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
GEOLOGY	2
WORK PERFORMED	3
DAMAGE	4
COSTS	6

ILLUSTRATIONS

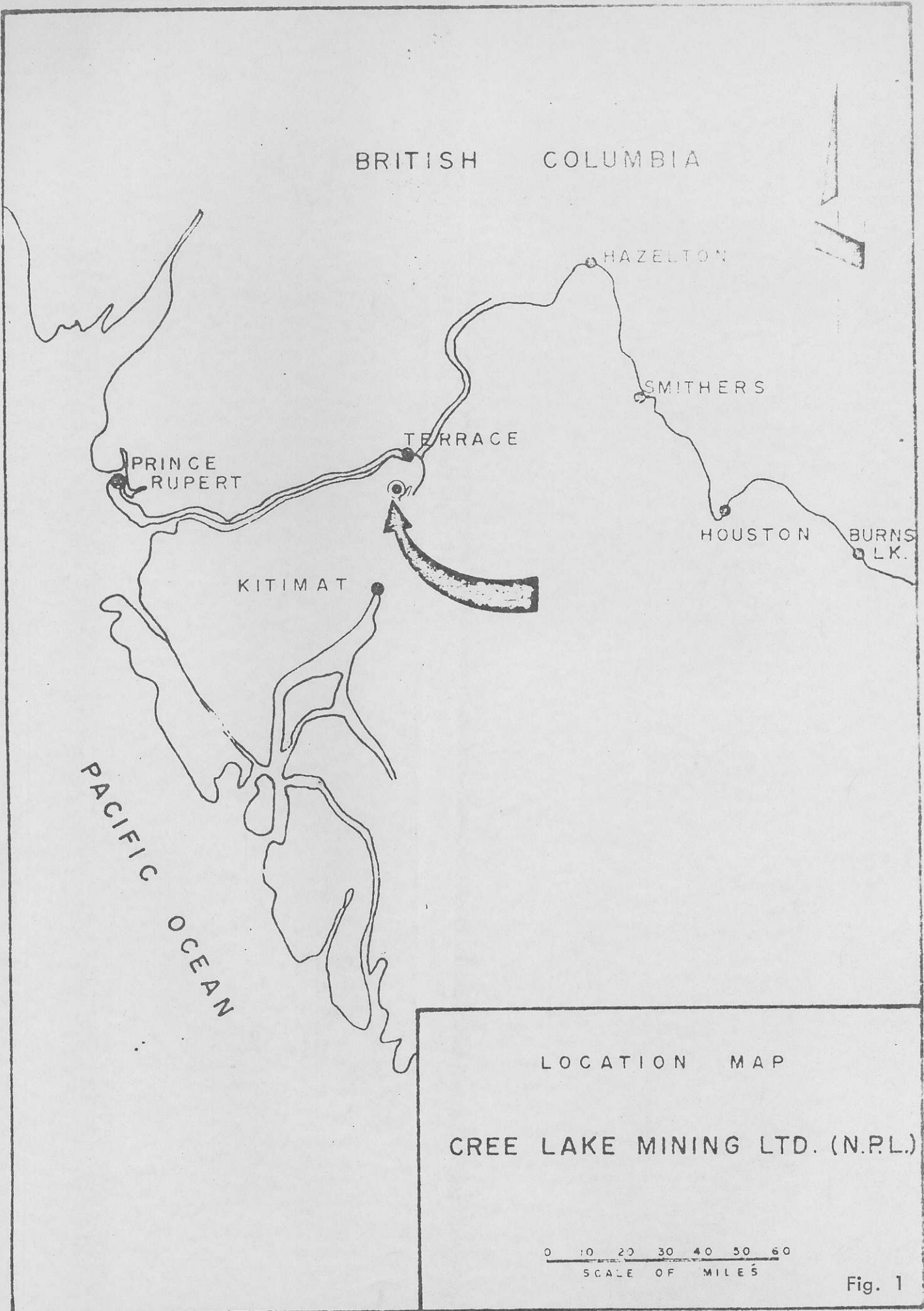
Fig. 1 - Location Map	Following Page 1
Fig. 2 - Claim Map	Following Fig. 1

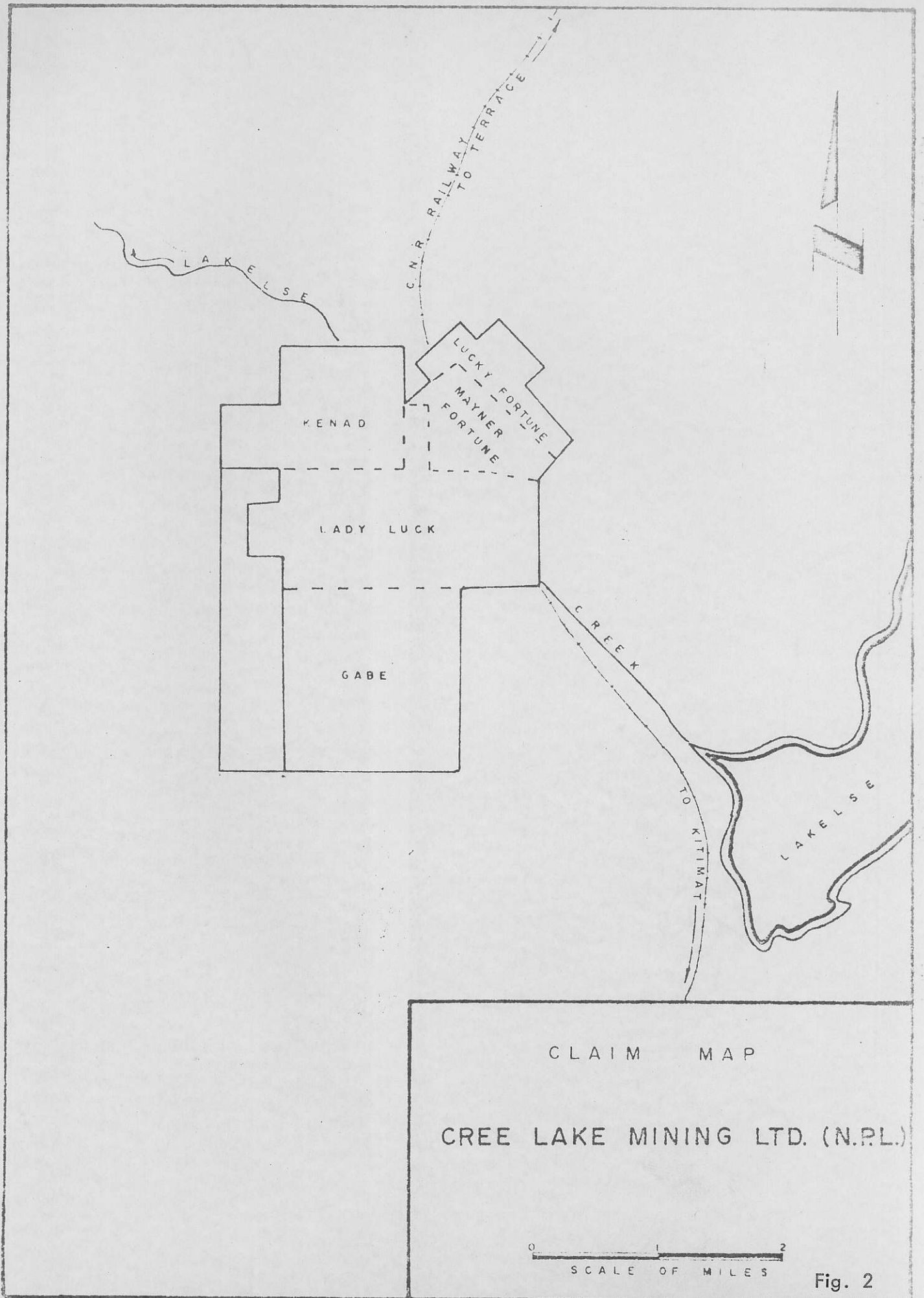
INTRODUCTION  
(See Figs. 1 & 2)

The Terrace, B.C., property of Cree Lake Mining Ltd. is about 7 miles south of Terrace and is situated between Mount Johnstone and the Terrace-Kitimat branch of the C.N.R. The 134-claim group is mainly in the Kitimat valley but the terrain is nevertheless fairly rugged, elevations ranging from 200 feet to 1800 feet above sea level.

The vegetation has been typical of the coastal rain forest but extensive logging has removed valuable timber. Logging roads provide access to parts of the property. Unfortunately, these roads have also obliterated parts of the survey grid system which is essential to further orderly mineral exploration.

The writer visited the property on two occasions in the field season of 1973 and logged the core from 9 diamond drill holes drilled that year.





CLAIM MAP  
CREE LAKE MINING LTD. (N.P.L.)

0 1 2  
SCALE OF MILES

Fig. 2

## GEOLOGY

The Cree Lake property occurs in what is known as the Coast Crystalline Belt which extends continuously from North Vancouver to the southwestern Yukon. This great belt is predominantly granitic in character but contains numerous areas of older crustal material, both sedimentary and volcanic. These pendants or septa of older sedimentary and/or volcanic rock commonly contain evidence of copper, zinc and iron mineralization as in the Howe Sound, Pender Harbour, Kitimat and Anyox areas. Important mines have been developed in this environment and it is axiomatic, therefore, that indications of mineralization found therein should be followed up by careful investigation.

In the Kitimat-Terrace valley, the known deposits are the Wedeene River magnetite (iron) deposit and the Cree Lake iron-copper-zinc deposit.

The latter deposit was covered by claims Lady Luck #1-4. The deposit consists of a north "lobe" and a south "lobe" between which there is 1200 feet where the mineralized zone is relatively narrow, at least at the surface.

WORK PERFORMED

The mineral deposit on Lady Luck #1-4 has been more intensively investigated than other parts of the large property and it is the only part that has been drilled. These claims have been the starting point for scientific (geological, geochemical, geophysical) surveys in the vicinity and, as promising leads or indications of mineral were obtained, the property was enlarged to its present 134 claims. The investigative work was facilitated greatly by covering much of the property with a surveyed grid system - which has been normal exploration practice in British Columbia for the past 20 years.



### DAMAGE

Concurrent logging and mineral exploration activities on the same property are not compatible for obvious reasons. By its very nature, logging obliterates survey markers, drill sites, etc. - everything that stands in its way of obtaining choice timber. Piles of slash, if not burned, make it much more difficult to traverse a property on foot than before logging is initiated.

In the situation under consideration, the above-mentioned items are involved and, in particular, the survey grid on much of the Lady Luck group and three of the Kenad claims. The importance of the survey grid is that it ties in all the work that has been performed on the property - drilling, geological mapping, geophysical and geochemical surveys. This would be of minor importance now if it were Cree Lake Ltd's intention to do no further work. The writer, however, indicated to Mr. John Tessari, President of the company, in 1973 that serious consideration should be given to an induced polarization survey in view of the numerous geochemical indications of copper found in the soil of the large property. This was not undertaken because of the unfavourable economic climate for mining exploration in British Columbia in 1973. It is still the writer's opinion, however, that such a survey (induced polarization) should be undertaken and that it should (obviously) be tied in or correlated to the other surveys. The only way this is feasible

involves restoration of the survey grid or the part that was destroyed by the logging operations. Any geological engineer who has had to cope with more than one grid system on a property under exploration knows full well the difficulties and problems involved.

At the same time the grid is restored, the magnetic survey and the geochemical survey, at least on the damaged parts of the property, should be partially redone.

To do the foregoing on the claims where logging was undertaken would involve a cost:-

<u>Mineral Claims</u>	<u>COSTS</u>		
	<u>Grid Restoration<sup>1</sup></u>	<u>Soil Survey<sup>2</sup></u>	<u>Magnetic Survey<sup>3</sup></u>
Lady Luck (1-4) (9-11) 24	10 miles @ \$200/mile = \$2000	250 samples @ \$5 each = \$1250	10 miles @ \$150/mile = \$1500
Lady Luck (5-7) Kenad 1, 2, 9	10 miles @ \$200/mile = \$2000	250 samples @ \$5 each = \$1250	10 miles @ \$150/mile = \$1500
	<u>\$4000</u>	<u>\$2500</u>	<u>\$3000</u>

1. Lines at 200' intervals
2. Samples at 200' intervals
3. Magnetometer readings at 200' intervals

Respectfully submitted,

BACON & CROWHURST LTD.



W.R. Bacon, Ph.D, P.Eng.