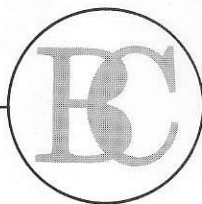


REPORT
ON THE PROPERTY OF
STIKINE SILVER LTD.
SKEENA MINING DIV., B.C.

671752

by: W.R. Bacon, Ph.D., P.Eng. Oct.13/72



BACON & CROWHURST LTD.

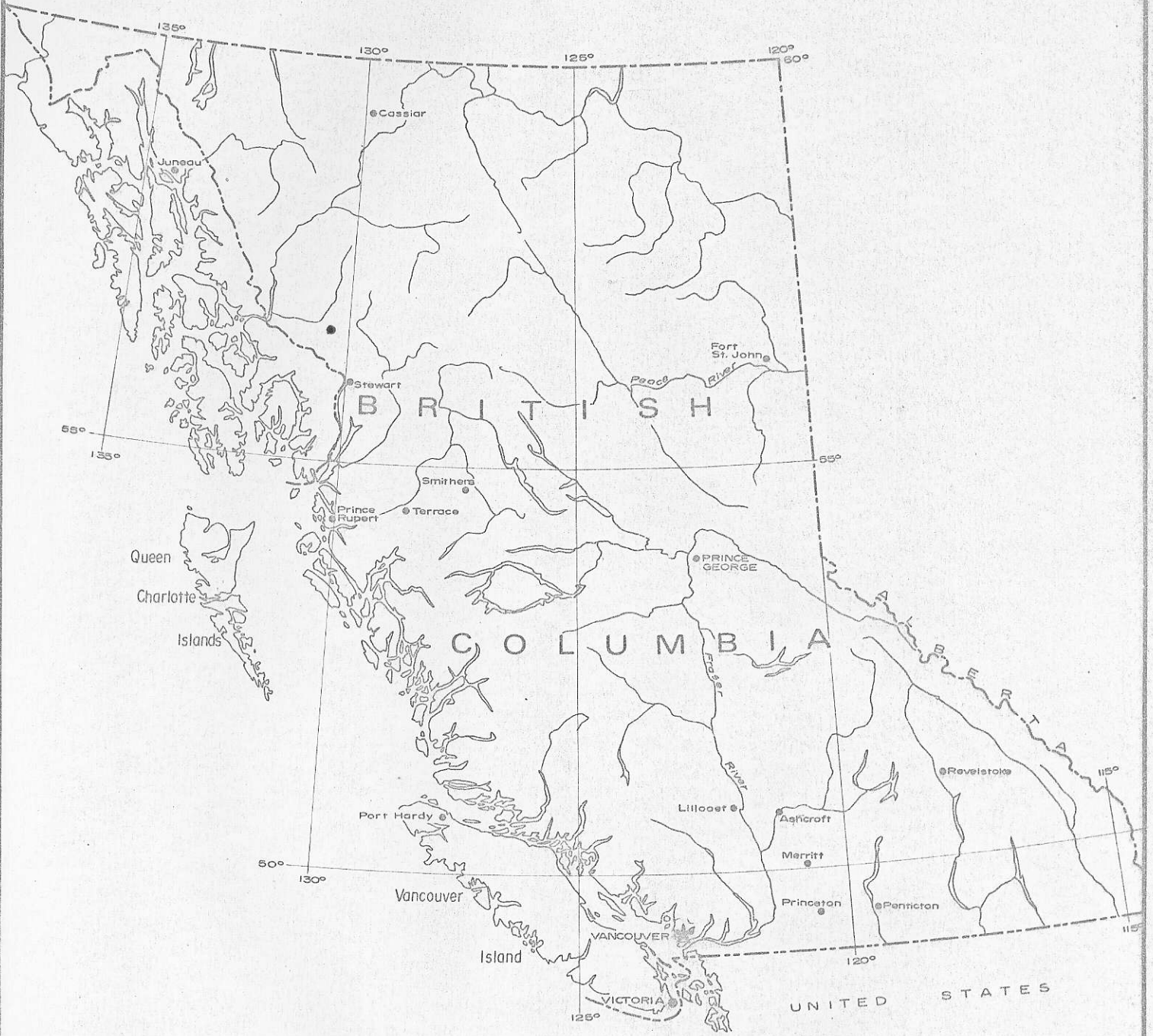
1720-1055 West Hastings Street
Vancouver 1, B. C.

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 VANCOUVER, B. C.

INDEX MAP
 • *STIKINE SILVER*

SCALE 1"=136 MILES

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ILLUSTRATION

Index Map showing Location of Stikine Silver
Ltd. Property

Frontispiece

INTRODUCTION

The Stikine Silver Ltd. property is a northeasterly trending block of claims located on the Prout Plateau, about 2 miles east of Tom Mackay Lake. It is at 56°37' N. Lat., 130°29' W. Long.

The plateau occurs at a general elevation of 3500 feet between the upper reaches of the Unuk River and the Iskut River. Vegetation is sparse and exposures plentiful.

In 1932, mineral was discovered by a prospecting party headed by T.S. Mackay. The showings are in a strong, northeasterly trending fault zone in which gold and silver values are found. There are four showings or groups of showings which are, from south to north, the Mackay Gold Mines adit, the No. 22, the No. 21, and the No. 5.

The Mackay Gold Mines adit was driven a distance of 276 feet in 1939 and extended to a total length of 360 feet by Canadian Exploration Limited in 1946. Considerable trenching has been done in the No. 21 and No. 22 areas. In 1963, Western Resources Ltd. started an adit from the east side of the No. 22, first drove northwesterly and then northerly for a distance of 360 feet. From this adit, Canex Aerial Exploration Ltd. partially tested the ground east and west of the adit with six diamond drill holes. In 1965, Stikine Silver Ltd. extended the adit northward for a total length of about 600 feet.

The property was examined by the writer in August, 1953 and a report based on this examination is in the 1953 Annual Report of the Minister of Mines, pp. 87-89. It was re-examined briefly on

September 20, 1972 when the writer spent 2 hours on the No. 22 surface showings. Neither time nor a snowstorm permitted further examination and, hence, the scope of this report is confined largely to No. 22.

Stikine Silver Ltd. concentrated mainly on the No. 22 during the summers of 1971 and 1972.

PROPERTY AND OWNERSHIP

The property consists of 30 claims, namely Kay 11-18 and Tok 1-22. They are recorded in the name of the company.

ACCESS

Access presently is by helicopter from Stewart but an as yet untested airstrip, 1100 feet long, has been bulldozed near the southern edge of the property.

The property is about 25 miles west of Snowbank Creek on the Cassiar-Stewart Highway. At least 35 miles of road would be required to reach Snowbank Creek which is about 100 miles north of the Stewart terminus of the highway.

GEOLOGY

For the geology in the vicinity of the property, the writer refers to his map on p.88 of the 1953 Annual Report of the Minister of Mines.

The rocks from Tom Mackay Lake east to the western boundary of the property consist of argillites, sandstone and conglomerate that, subsequent to the 1953 examination, have been classified as Middle Jurassic in age. They constitute a re-entrant trough extending southward from the Bowser Basin.

The Froot Plateau is underlain largely by volcanic rocks of Lower Jurassic age. Eskay Creek runs northward along the claim belt and volcanic rocks predominate on either side of the creek. The most striking feature of the Eskay Creek valley is a series of four orange-red bluffs that can be seen for miles from the air. The bluffs are highly silicified and pyritized volcanic rock, and mark the position of a strong fault zone.

The showings are all on the western side of Eskay Creek. Here volcanic breccia is important; conglomerate and argillaceous rocks are also present.

The volcanic breccia contains typically grey, angular, quartz-veined fragments up to one foot across. Silicification is marked everywhere. The rocks logged by Canex Aerial Exploration Ltd. in their 1964 drilling were "dark grey and light grey volcanic rock, silicified volcanic rock, silicified volcanic breccia, volcanic breccia, cherty volcanic rock, and minor intervals of argillite or shale". This drilling was done exclusively in the vicinity of the No. 22 showing.

NO. 22 SHOWING

The No. 22 showing extends over a distance of at least 1600 feet in a northerly direction, It has been trenched in about three dozen cuts over this distance and the breccia rock thus exposed is stained brown, orange and yellow. It is veined by milky quartz and in places is vuggy.

The mineralization in the breccia host rock is generally rather light, and very fine grained, making it difficult to spot at first. It consists of sphalerite, galena and tetrahedrite.

Because of the nature of the mineralization, it is and will be difficult to outline ore shoots but, in the 1600 foot length, three shoots of interest have been partially defined.

A shipment of 1.6765 dry tons of cobbled ore was made to Trail in 1971. This assayed as follows:

Gold	0.194 oz./ton
Silver	142.45 "
Lead	1.9%
Zinc	2.8%

Three character samples taken from the trenches by the writer on September 20th, 1972 and assayed by Chemex Labs Ltd. of North Vancouver returned the following values:

	<u>Au</u>	<u>Ag</u>	<u>Pb</u>	<u>Zn</u>
1.	0.11 oz./ton	19.2 oz/ton	0.86%	1.58%
2.	0.15	45.2	1.20	2.40
3.	0.031	2.01	0.15	0.19

ASSESSMENT AND RECOMMENDATIONS

The southern part of the No. 22 showing was partially explored by Canex Aerial Exploration Ltd. This work, which includes part of the adit and six underground drill holes, tests the southernmost 200 feet of the No. 22 which, as presently defined, is 1600 feet long.

The adit apparently intersected mineral at intervals, as did the two northernmost drill holes, on either side of the northerly trending adit. Unfortunately core recovery in the drilling was unsatisfactory, amounting to an overall 60 per cent.

In the writer's opinion, the No. 22 showing merits further work as it has been demonstrated that mineralization is present over a distance of 1600 feet. Furthermore, similar mineralization is encountered 3000 feet to the northeast in the No. 21 showing. This should be re-examined as well as the interval between No. 22 and No. 21.

The writer recommends surface drilling, fully realizing that the summer season scarcely lasts longer than 2½ months. Nevertheless, with a properly organized camp and a carefully laid out plan, a good deal of work can be accomplished in this period.

COST ESTIMATE

(2½ Month Program)

Diamond drilling - 30 AQ holes, 2 from each setup, at 100 ft. intervals over 1400 ft. length = 5,000 ft. @ \$7.50/ft.	\$37,500
Supervision, engineering, geology, assaying	6,250
Servicing camp by aircraft	<u>7,500</u>
	\$51,250
Contingencies, say 10%	<u>5,125</u>
	<u>\$56,375</u>

Respectfully submitted,

BACON & CROWHURST LTD.



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

CERTIFICATE

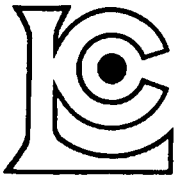
I, William R. Bacon, with business address at
1720 - 1055 W. Hastings St., Vancouver, 1, British Columbia,
DO HEREBY CERTIFY THAT:

1. I am a consulting geological engineer.
2. I am a graduate of the University of British Columbia with B.A.Sc. (1939) and M.A.Sc. (1942) degrees in Geological Engineering.
3. I am a graduate of the University of Toronto with a Ph.D (1952) degree in Economic Geology.
4. I have practised my profession for thirty years in Canada, South America and Australia. During the past twenty years, the majority of my time has been spent in British Columbia; it includes seven years (1949-56) as geologist with the B.C. Department of Mines.
5. I personally examined the property now held by Stikine Silver Ltd. in August, 1953 and again on September 20, 1972.
6. I have no interest, direct or indirect, in the property, nor do I expect to acquire any such interest.



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

Vancouver, Canada.
October 13th, 1972.



CHEMEX LABS LTD.

212 BROOKSBANK AVE.
NORTH VANCOUVER, B.C.
CANADA
TELEPHONE: 985-0648
AREA CODE: 604

• CHEMISTS • GEOCHEMISTS • ANALYSTS • ASSAYERS

CERTIFICATE OF ASSAY

TO: Bacon & Crowhurst Ltd.
Ste. 1720 - 1055 W. Hastings St.,
Vancouver 1, B. C.

CERTIFICATE NO. 21492

INVOICE NO. 8426

RECEIVED Oct. 11/72

ANALYSED Oct. 12/72

ATTN: Dr. Bacon

SAMPLE NO.:	% Lead	% Zinc	Oz/Ton Silver	Oz/Ton Gold
SS 1	0.86	1.58	19.2	0.11
SS 2	1.20	2.40	45.2	0.15
SS 3	0.15	0.19	2.01	0.031

STIRINE SILVER.



MEMBER
CANADIAN TESTING
ASSOCIATION

Alan Amos

REGISTERED ASSAYER, PROVINCE OF BRITISH COLUMBIA