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MARY CREEK RESOURCE CORP.

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SUMMARY

During the summer of 1984, the management of Mary Creek Resource Corp. was approached by a geologist who had spent a number of field seasons mapping surficial deposits near Cottonwood, B.C., an area well-known for its placer gold deposits. The purpose of this work, which included extensive research, sampling and field mapping, was to define areas with large yardage placer gold potential. The results of the work, beyond extensive data accumulation, included the staking of 16 placer gold leases contained in 3 non-contiguous blocks and of 2 mineral claims known as the MC1 and MC2.

Mary Creek management entered into negotiations in order to obtain an interest in these properties and these led to the signing of an option agreement on the gold prospect and a purchase agreement for the 16 placer leases.

The placer leases were staked to cover a wide variety of environments considered to have placer potential. These included preserved auriferous Tertiary Channel gravels, alluvial fans and a gold-bearing volcanoclastic debris flow. While all lease blocks require substantial testing, the variety of environments, the large yardage potentials and the encouraging preliminary results indicate future exploration is warranted.

The MC1 and MC2 mineral claims were staked on evidence that they are possibly underlain by a volcanic hardrock source of some of the placer gold in the area. Extensive exploration work is planned on these claims during the upcoming year.

Currently, management plans to take the Company public through a primary underwriting on the Alberta Stock Exchange as soon as all Exchange requirements are fulfilled.

The Directors and Senior Officers of Mary Creek Resource Corp. fill similar positions with Tugold Resources Inc., a firm with exploration prospects in a variety of locations in British Columbia. Management of the Company has extensive experience in mining, in metallurgy, and in exploration in Canada and to a lesser extent abroad.

SENIOR OFFICERS

- Mary Creek Resource Corp./
Tugold Resources Inc.

JOHN D. COCHRANE,

KAMLOOPS, B.C.

DIRECTOR/VICE PRESIDENT-OPERATIONS

- * Former Regional Coordinator - Safety Training for Noranda Mines Inc. in Western Canada.
- * Underground miner/Safety Coordinator with Denison Mines Ltd. in Elliot Lake, Ontario.

BRYAN ELLIOTT,

KAMLOOPS, B.C.

DIRECTOR/VICE PRESIDENT - EXPLORATION

- * Former self-employed forestry contractor.
- * Prospector with Noranda Exploration Co. Ltd. and El Paso Mining and Milling
- * Geology - Cariboo and Selkirk Colleges.

JOHN E. FISHER,

KAMLOOPS, B.C.

DIRECTOR/CORPORATE SECRETARY/
VICE-PRESIDENT - FINANCE AND
CORPORATE DEVELOPMENT

- * Former mining exploration geologist with Noranda Exploration Co. Ltd. and United Keno Hill Mines Ltd.
- * M.B.A. - McMaster University
- * B. Sc., (Geology) - Queen's University

ARTHUR J. MAGILL,

KAMLOOPS, B.C.

DIRECTOR/PRESIDENT

- * Former supervisory roles in mining and metallurgical industries
- * Positions with major and junior companies
- * Mineral separation and management courses - University of British Columbia and British Columbia Institute of Technology.

THE PROPERTIES

INTRODUCTION

The properties of interest lie approximately 40 km east of Quesnel, British Columbia. They are easily afforded by travelling easterly on Highway 26 (Wells-Barkerville Hwy) to Cottonwood and departing either northerly or southerly on well-maintained logging roads. (Refer to figure 1)

The MC1 and MC2 mineral claims lie immediately north of Highway 26, while the Placer Leases, which total 16 in number, are divided into three non-contiguous blocks, all of which are within a few kilometres of the Highway. (Refer to figure 2)

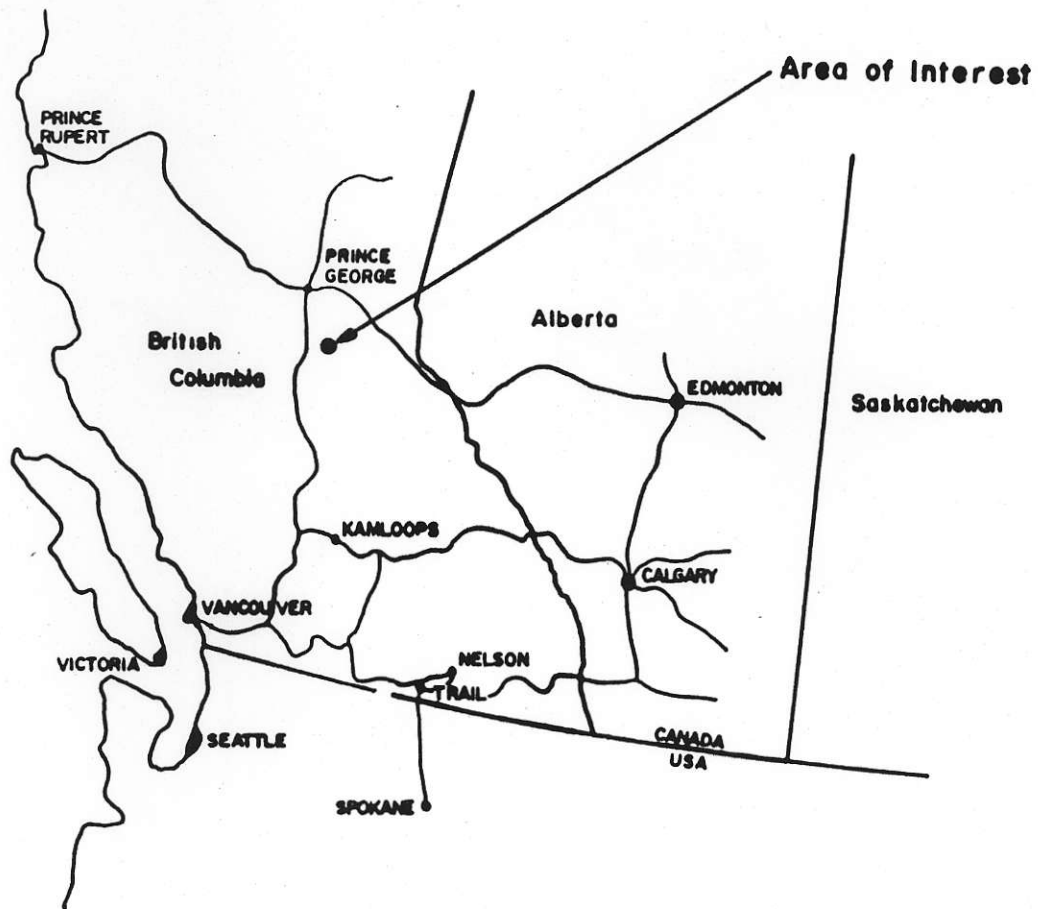
HISTORY OF THE AREA

While little if any hardrock mining has taken place, locally, the Cottonwood Area is quite well known for its rich placer gold deposits. Placer mining has taken place at a number of localities along Lightning Creek and on adjacent benches since the late 1800s.

During the 1930s, a massive hydraulic operation existed at the Slade Pit located at the confluence of Moustique and Lightning Creeks. Production from the Pit was estimated at 10,000 ounces from a pay zone that occurred at the base of a sequence of glacial gravel, silt and till. Projects producing, currently or in the recent past, include McGuire's and Strategic Minerals.

To the north of Lightning Creek in the vicinity of Mary Creek exists the Toop Placer Gold Mine. Discovered in 1972, the Toop Operation has produced an estimated 4000 ounces of gold from a consolidated ferruginous debris-flow and from a layer of blue clays.

Just to the north of Toop, the Poshner Operation is in the process of drifting on an auriferous debris-flow similar to that found at Toop.



MARY CREEK RESOURCE CORP.	
ROED OPTION	
GENERAL LOCATION MAP	
1:12,000,000	JANUARY 1985



ALICE CREEK BLOCK

● POSHNER

TOOP PIT

JOHN BOYD CREEK

MARY CREEK

MC2

MC1

QUESNEL
30 KM

HIGHWAY 26

MEXICAN HILL BLOCK

● STRATEGIC

● SLADE
PIT

LIGHTNING CREEK

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ROED OPTION

SWIFT RIVER

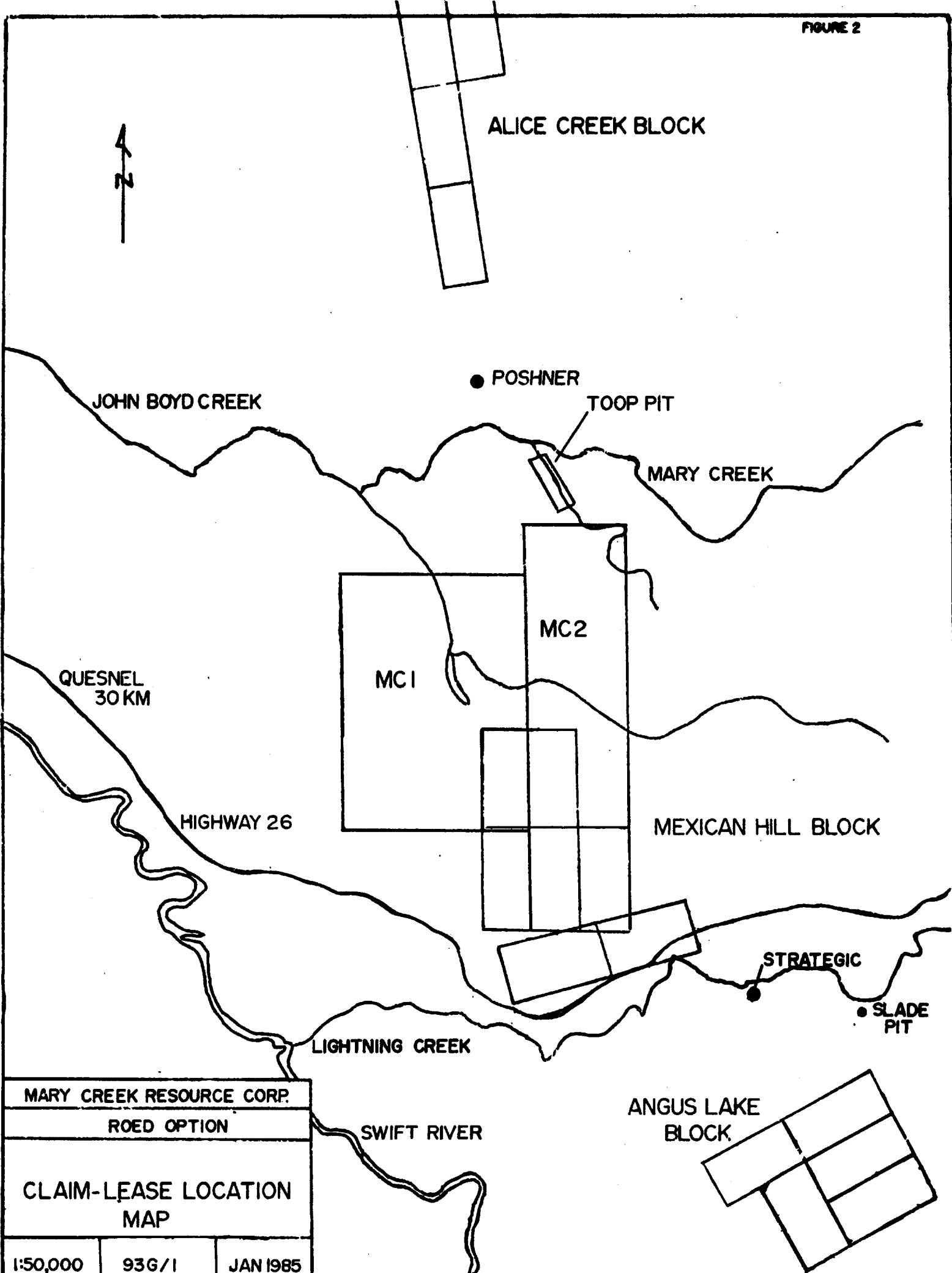
ANGUS LAKE
BLOCK

CLAIM-LEASE LOCATION
MAP

1:50,000

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JAN 1985



REGIONAL GEOLOGY

On a regional scale, the Property lies within a broad geologic environment known as the Quesnel Trough. The Trough is believed to be an island arc assemblage that existed from late Triassic to early Jurassic time and is well-known for its recent seimconformable stratabound gold discoveries including the QR and Frasersgold, both to the south of the area of interest.

The Eastern Margin of the Trough is dominated by basinal argillaceous sediments which give way to younger volcanics, minor sediments and comagmatic alkalic stocks as one moves westerly. The Trough lies in fault contact with Permian Cache Creek Group rocks to the west and with the Paleozoic and PreCambrian Cariboo Terrane to the east. The Property itself lies just west of this latter contact. A variety of Tertiary sediments and volcanics are also known locally.

PROPERTY GEOLOGY - MC1 and MC2 Mineral Claims

Evidence gathered thus far in the area lends encouragement for the potential discovery of a gold-bearing volcanic source on the property.

While overburden cover is extensive, recent roadbuilding on the north edge of the property has uncovered a package of rocks considered favourable for gold exploration. The package consists of a pile of volcanic flows and tuffs of probable Tertiary (Eocene) age. The rocks are intermediate to felsic in composition and are highly altered to sericite and clays, iron and manganese oxides. The rocks contain limited sulphides in the form of pyrite and are cut frequently by coarse quartz veins. Grab samples returned values up to 1950 parts per billion (0.062 oz/ton) gold and 1875 parts per billion (0.060 oz/ton) silver, the higher values being located in the more felsic flow units. Such values are considered highly anomalous and give encouragement for further exploration.

PROPERTY GEOLOGY (Con'd)

Further favourable evidence is found at the nearby Toop Placer Operation which is located 500 m north of the Property claim boundary. The main gold-bearing-zone in the pit is a consolidated iron-rich volcanoclastic mud or debris-flow which unconformably overlies Triassic argillites. The fact that the clasts or fragments in the unit are composed of volcanic rocks identical to those uncovered on the property and that the unit thickens to the south gives evidence that the debris flow has its source on the Property.

In conclusion, compilation of evidence gathered to date indicates that potential exists for a lode gold deposit on the Property. As depicted in the model shown in figure 3 one or a series of igneous events beneath the property may have been the "heat engine" that introduced and subsequently deposited gold-bearing fluids into the relatively porous volcanics above.

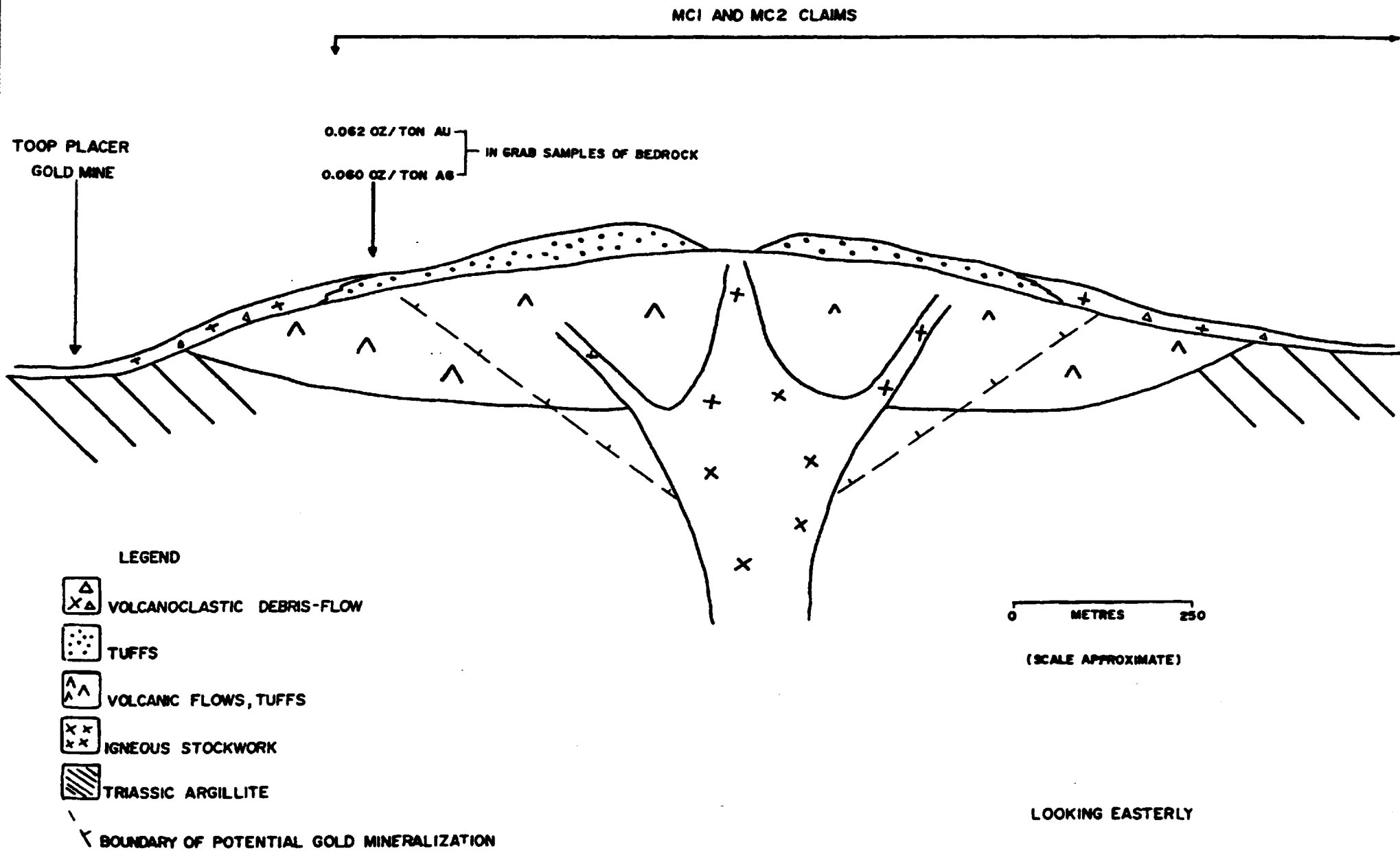
The ferruginous debris-flow in the Toop Pit also provides support for the existence of a massive sulphide on the property. Such a deposit, often known as "ferroorete", often forms down-slope from massive sulphide deposits as a result of leaching processes.

PROPOSAL

It is the intention of the Company to carry out substantial trenching on the north end of the property this winter in order to expose more of the favourable volcanic horizons, and subsequently carry out more detailed sampling and assaying. This work will also be necessary to fulfill Alberta Stock Exchange Listing requirements. Work later this summer is likely to include grid preparation and extensive geophysical surveying in order to define targets for basal till sampling, IP surveying and diamond-drilling.

IDEALIZED MODEL DEPICTING POTENTIAL GOLD OCCURRENCE ON MC1 AND MC2 MINERAL CLAIMS

FIGURE 3.



PLACER LEASES

1. ALICE CREEK LEASE BLOCK

The Alice Creek Leases were staked based on evidence that they are likely underlain by the same auriferous unit that is being mined in the Toop Pit and that is currently under development at the Poshner Operation. This unit, as mentioned earlier, is being defined as a volcanoclastic debris flow. It is composed of fragments of angular volcanic rocks in a matrix-cement of iron-rich clays and gravels.

At the Toop Operation, the unit varies from 3 metres to 6 metres in thickness and has, at times, yielded 30 to 40 ounces of gold per 100 yards. Half of the gold recovered is in the form of nuggets which average one-sixth ounce in size. The same unit at the Poshner Operation appears to be approximately 4 metres thick and while values appear economic at this time, more development work is necessary to confirm results to date.

The direction of the debris flow is believed to have been from south to north and should continue through the Poshner Operation to the Alice Creek Block. (refer to figure 2) Further, it is likely that the flow has been protected from subsequent glacial events by the bedrock high that exists to the west of the lease block. (refer to figure 4a)

2. ANGUS LAKE BLOCK

Based on field studies of glacial movements in the area, evidence suggests that the source of auriferous gravels found and mined on Lightning Creek had their source to the south on the Angus Lake Block.

PLACER LEASES - ANGUS LAKE BLOCK (Con'd)

Potential targets on the leases are varied (refer to figure 4b). Firstly, a large buried channel that extends along Lake Creek to Angus Lake may very well contain gold-bearing Tertiary gravels that have been protected from glacial movements by surrounding bedrock. Surface gravels along Lake Creek have been mined in the past.

Additional potential would seem to exist in two gravel fans located in the southeastern corner of the lease block. The fans are three to ten metres deep and testing reveals they are auriferous on surface.

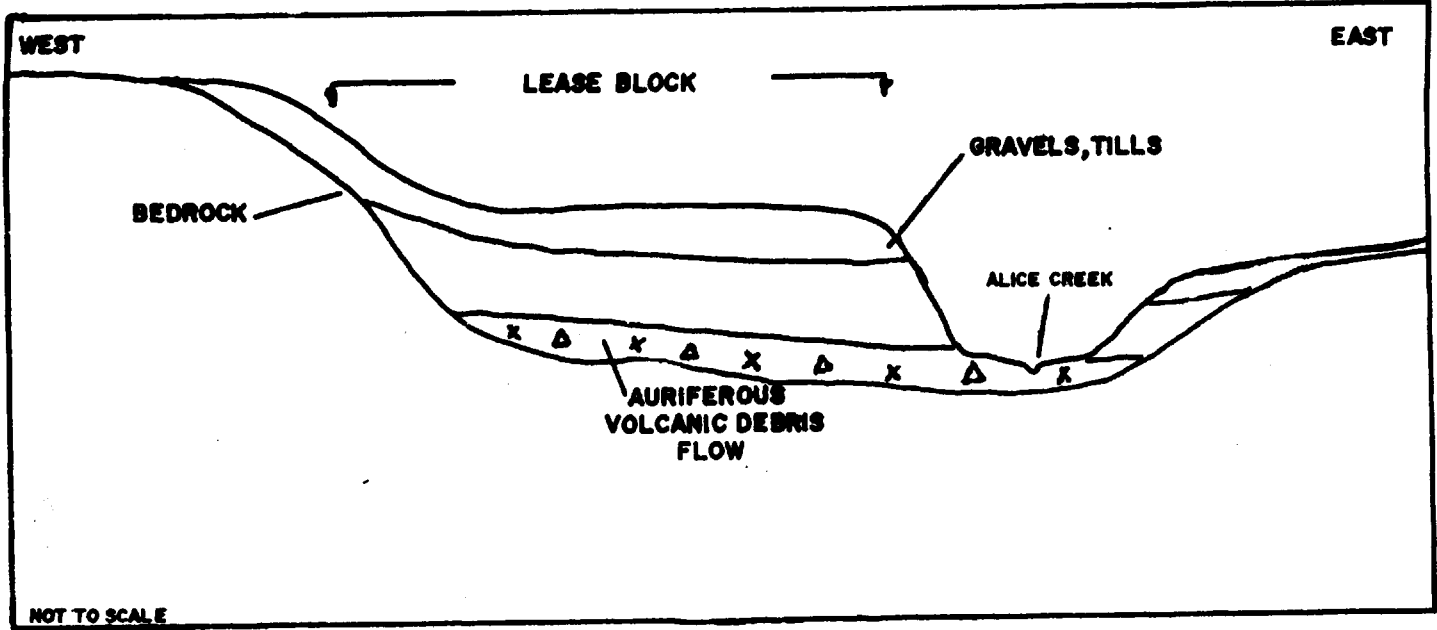
3. MEXICAN HILL BLOCK

The Mexican Hill Block is comprised of 7 contiguous leases just north of Highway 26. The leases have been staked to cover late Tertiary or preglacial channel gravels that have been studied intermittently since the early 1930s. (refer to figure 5). The channel is well-exposed in the Lightning Creek River Valley just south of the Lease Block. It is 16 to 20 metres thick and can be traced for at least a 300 metre width. Cross-strata and pebble imbrication studies indicate that channel flow direction ranged from 300 to 000, or directly under the Mexican Hill Block. Panning conducted along the favourable horizon returned several samples ranging from 0.067 to 0.11 ounces per yard of gravel (\$27 to \$44 per yard; gold @ \$400 Can).

Given the known dimension of the channel, and its likely continuance under Mexican Hill, potential would seem to exist for a large yardage placer operation on the property.

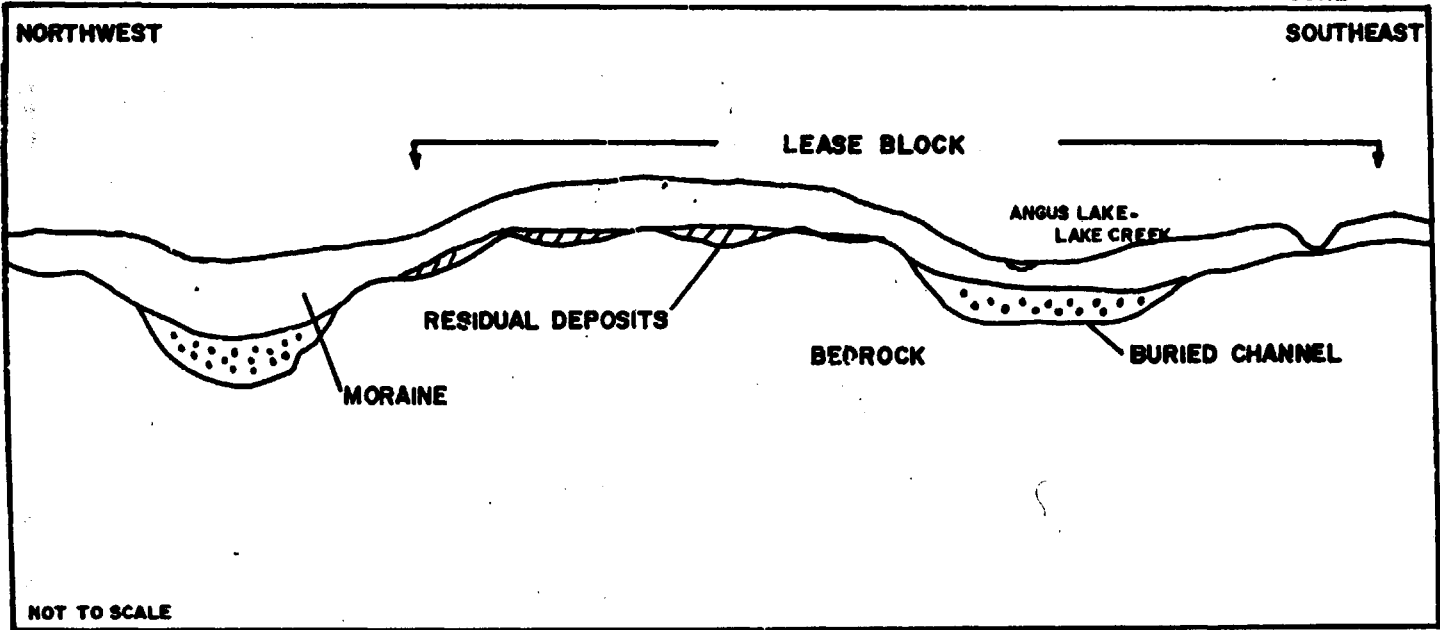
Apart from the channel, the property is also underlain by additional auriferous horizons including an interglacial unit that is the host for much of the gold of local placer operations.

FIGURE 4a



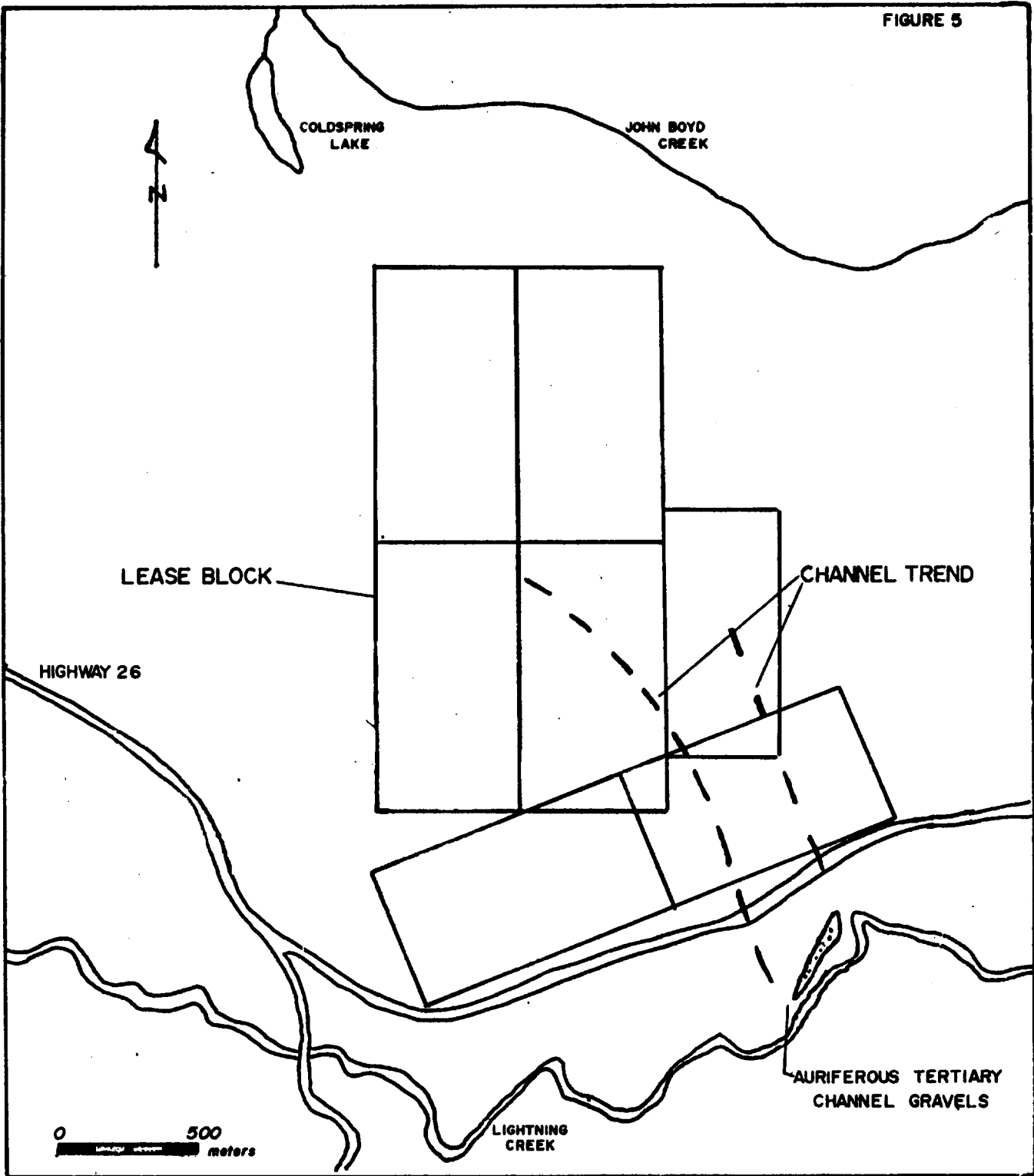
CROSS-SECTION THROUGH ALICE CREEK LEASE BLOCK

FIGURE 4b



CROSS-SECTION THROUGH ANGUS LAKE LEASE BLOCK

FIGURE 5



LOCATION OF POTENTIAL TERTIARY CHANNEL ON MEXICAN HILL

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