

FIELD

NEWEX SYNDICATE
SECOND QUARTER REPORT
APRIL - JUNE 1981

672463

July 9, 1981

NEWEX SYNDICATE

SECOND QUARTERLY REPORT

APRIL - JUNE 1981

J.C. STEPHEN EXPLORATIONS LTD.
1458 RUPERT STREET
NORTH VANCOUVER, B.C.

July 9, 1981

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NEWEX SYNDICATE
SECOND QUARTER REPORT
APRIL - JUNE 1981

SUMMARY

Field work commenced June 1 in the Atlin Region with establishment of a base camp at the Atlin airstrip.

Crews were located near Heart Peaks June 4 to stake the area indicated to be anomalous for silver and arsenic. Stephen visited the area June 4 and because of the extent and spectacular appearance of the rusty rhyolite formation increased the field crew from 4 to 8 on June 5. The area was staked as the HART 1-6 claims of 120 units. These claims have been recorded.

A program of reconnaissance mapping, soil, talus and rock sampling was conducted with results described below.

Crews were moved to other prospect targets June 19 and the total field crew was reduced to 4 on June 26. Prospecting at Wade Lake encountered some sphalerite mineralization but no other significant mineralization has been reported. No geochemical results have been received for these targets as yet.

Roy Woolverten's Evergreen Exploration was contracted to conduct an air magnetometer - VLF EM survey over a small area near the south end of Teslin Lake. Flight check of equipment was done June 28 and the survey started that evening. Cable failure, bad weather and an accident to the EM bird prevented completion of the survey as of July 3.

Final draft of the syndicate exploration agreement was received from Lornex and this should be signed shortly.

A financial report covering expenditure to date is included with this report. Purchase of equipment has been kept to a minimum and advantage is being taken of a pool of field equipment presently on hand. Considerable expense was involved in moving equipment and crews from Vancouver to Atlin as well as in paying airfares for students hired in Ontario.

Heart Peaks - HART GROUP

INTRODUCTION

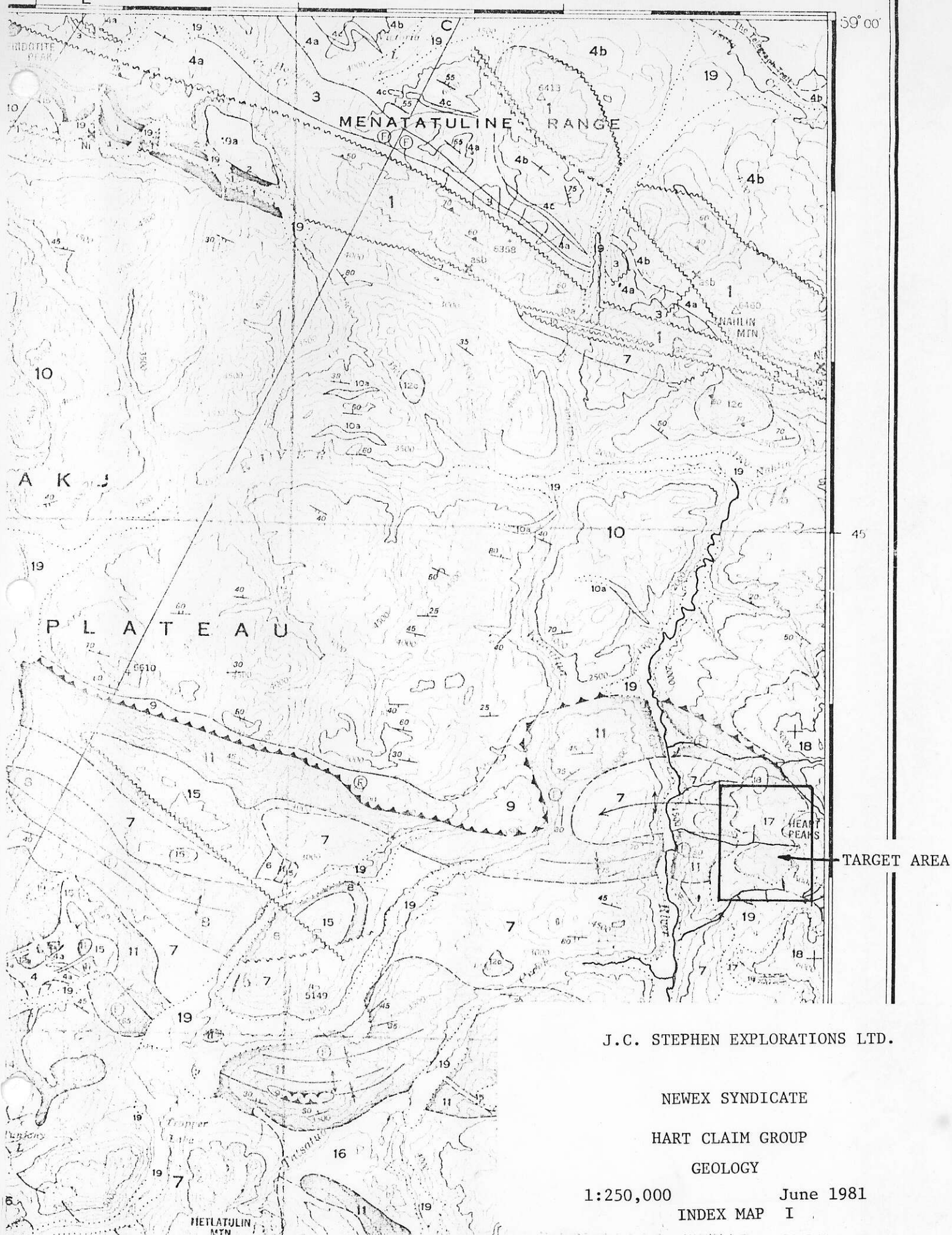
The Heart Peaks area was visited in September 1980 by Joe Shearer and Scott Angus. Several talus and rock samples taken returned silver values up to 12 ppm associated with high arsenic and moderate antimony values.

The area was designated as a priority target for 1981 syndicate operations and a crew was sent to the area June 4 to commence staking. On completion of staking a program of reconnaissance rock, talus, soil and silt sampling was conducted together with preliminary prospecting and mapping.

GENERAL GEOLOGY

Souther (1971) gives the following description:
"The area is underlain by rhyolitic and trachytic lavas, tuffs and breccias that weather to bright hues of red, yellow and orange. The fresh lavas have a light grey to purplish grey aphanitic matrix surrounding clear light grey, tabular phenocrysts of feldspar, occasional books of biotite, and small rounded blebs of quartz. Quartz stringers and quartz lined vugs are locally abundant."

The acid volcanics are overlain to the east by basalt flows (unit 17 and 18 respectively, Index Map I) and are adjacent to unit 7, Upper Triassic Stuhini volcanics overlain by Unit 11, Jurassic Takwahoni Formation sediments to the west.



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NEWEX SYNDICATE

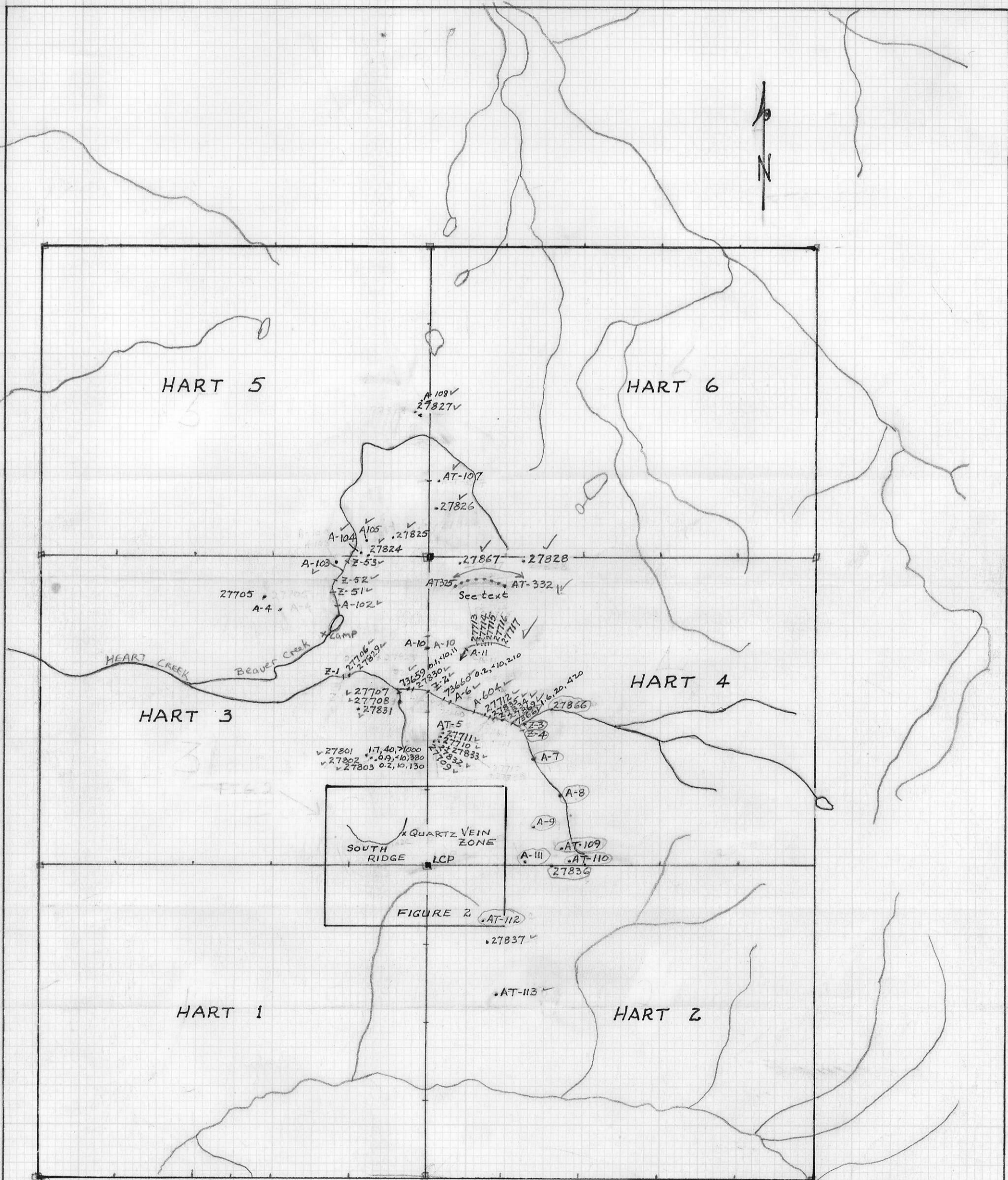
HART CLAIM GROUP

GEOLOGY

1:250,000

June 1981

INDEX MAP I




AT-112 • Soil SAMPLE Ag ppm Au ppb As ppm.


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 NEWEX SYNDICATE
HART CLAIMS
 GEOCHEMISTRY
 104 K/9
 DATE: JUNE 4/8. 1981
 SCALE: 1:25,000

FIGURE 1



Legend

 Basalt
 - Fine grained, phaneritic, black, olivine rich basalt. Varieties range from vesicular to porphyritic, to massive. Often red in appearance due to lichen and intense weathering. Moderately to strongly magnetic.

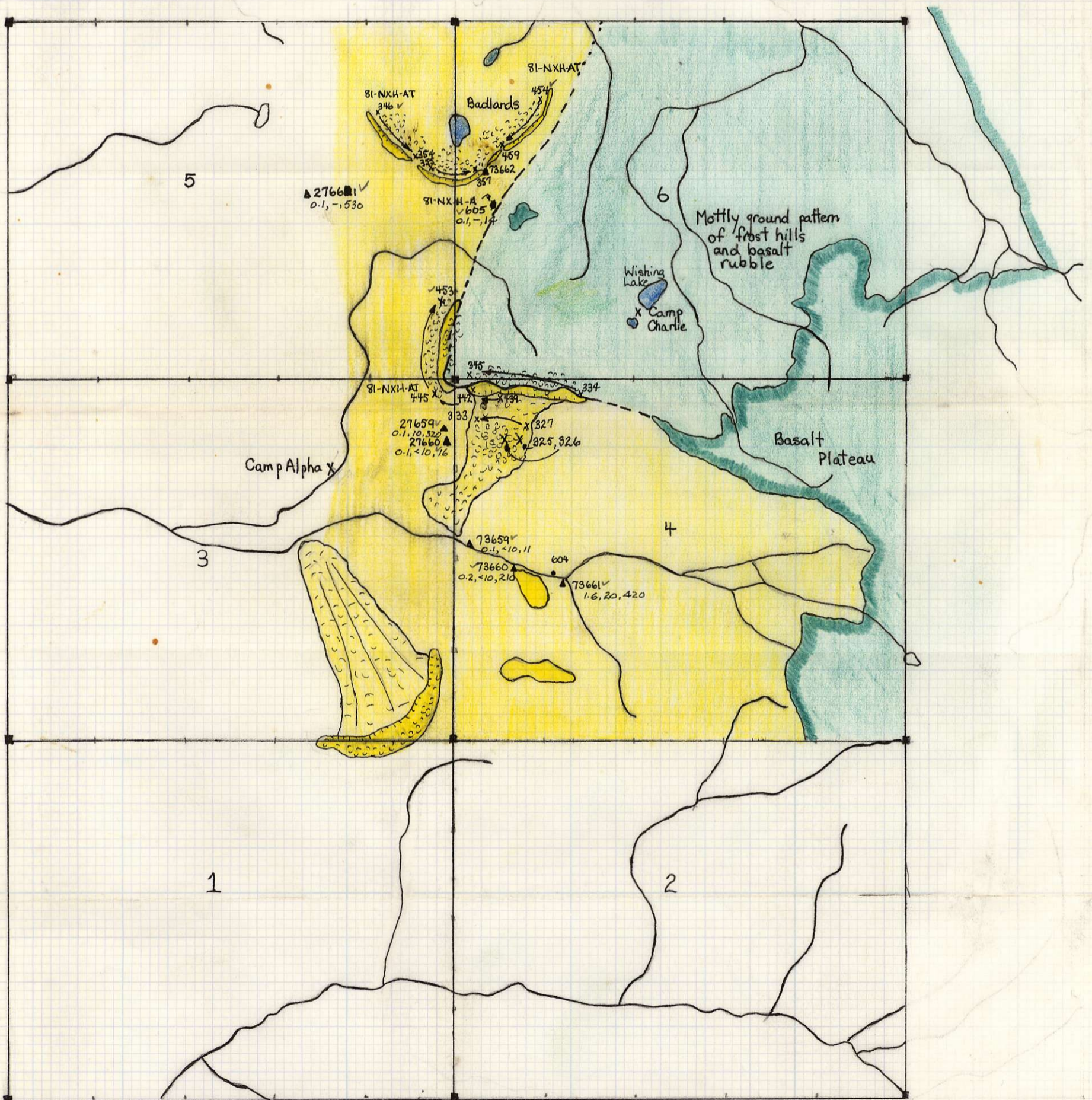
Tertiary

 Rhyolite.
 - Numerous varieties ranging from very fine grained, grey blue, cherty, to clear feldspar(?) porphyry phase, to a completely kaolinized variety, and breccia. Grades into trachyte and weathers rusty red.

Symbols

Contacts: assumed
 ----- inferred
 - - - - - known
 - outcrop outline
 - talus slopes

Geochem Samples: x-341 Talus Ag, Au, As N
 ▲-73661 Rock Ag ppm Au As
 ●-605 Soil Ag, Au, As



J.C. STEPHEN EXPL. LTD.
 Newex - Hart
 Geological and Topographic Map
 Scale 1:25,000 NTS-104K
 Drawn By: M. Masson Mapped By: M. Masson
 G. Prior

FIGURE 1a

The acid volcanics outcrop on several rounded, lightly wooded slopes, on talus slopes, and on several steep, rugged faces. Spectacular rock glaciers flow north and west from the "South Peak area" and the whole area is very much broken, frost heaved and unstable. All types of work will be difficult due to loose broken rock conditions.

MINERALIZATION

No definite zone of mineralization has been located to date. Figure 1 shows the layout of the claims and local drainage. Some of the samples taken are shown on this Figure but analytical results for many samples have not been received as yet. Figure 1a depicts the geology in the north east portion of the property.

Figure 2 shows results of talus sampling in the anomalous "South Ridge" area. These areas with greater than 10 ppm silver are indicated. Results of rock geochem. sampling in the same area are shown on Figure 3. Two significant values of greater than 100 ppm silver are shown but these do not fall within the anomalous zones shown on Figure 2. The best quartz vein development seen occurs near the east end of South Ridge and was sampled in detail. Figure 4 shows these sample results which are all relatively barren of silver and gold. Arsenic ranged up to 210 ppm and mercury varied from 20 to 40 ppb.

The two samples which ran >100 ppm Ag were both float fragments of quartz with pyrite. Five quartz float samples from the toe of the rock glacier gave the following results:

<u>Sample No</u>	<u>Ag ppm</u>	<u>As ppm</u>	<u>Au ppb</u>
25551C	3.5	220	10
552	1.4	>1000	940
553	>100.0	115	500
554	7.0	65	40
555	50.0	150	200

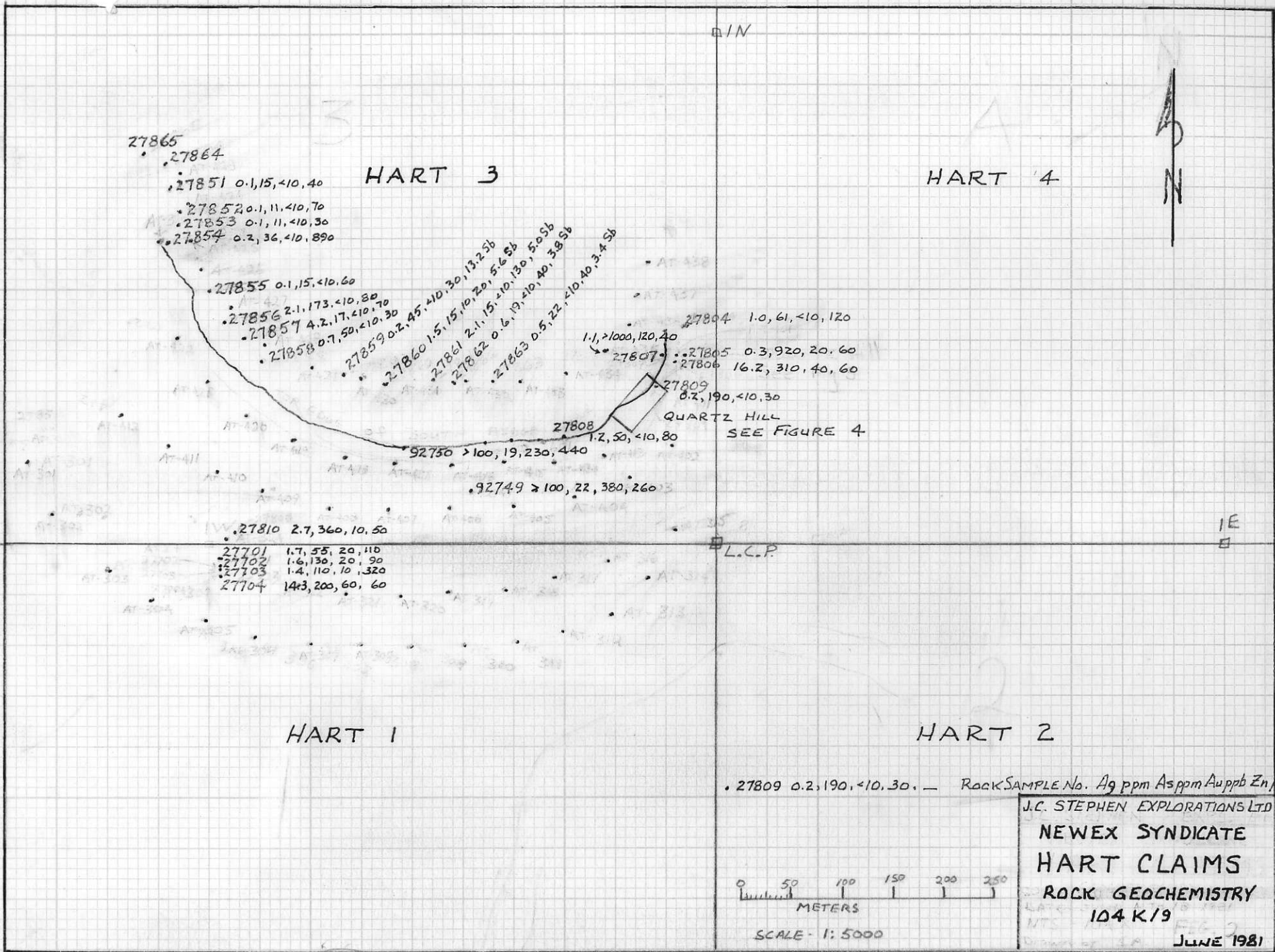
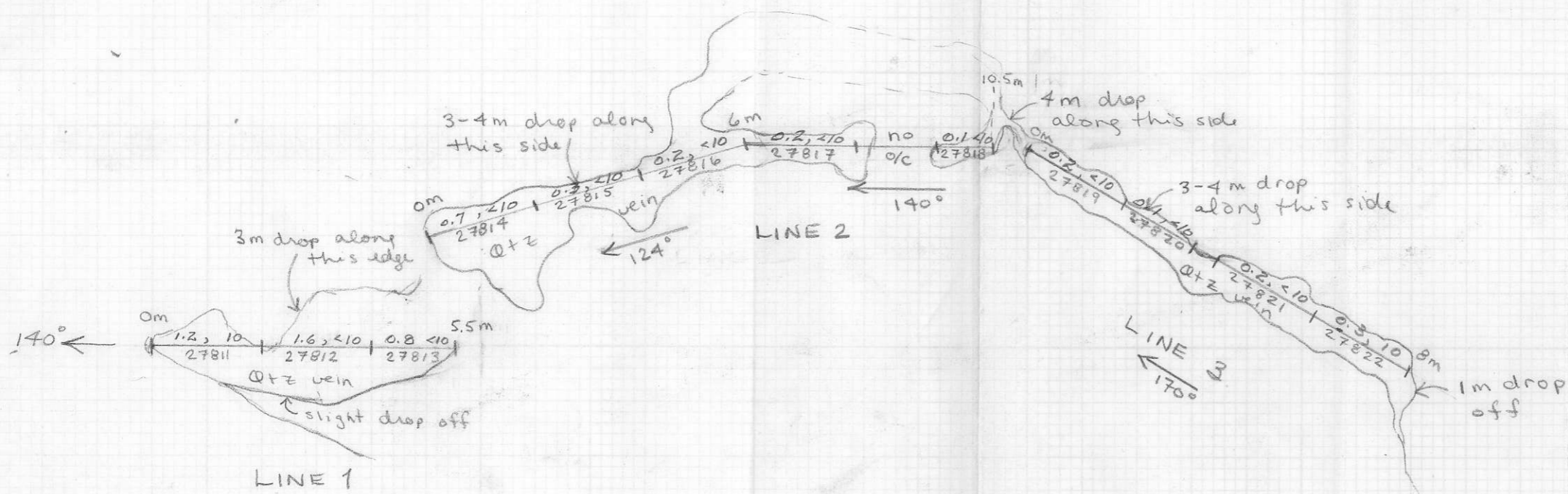


FIGURE 3



LEGEND

$\frac{Agppm}{Au ppb}$
27811 chip sample

Δ
27809 rock sample

outcrop

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NEWEX SYNDICATE
HART CLAIMS
QUARTZ HILL GEOCHEMISTRY
104 K/9

SCALE 1:100 JUNE 10 1981

FIGURE 4

In the north west corner of claim HART 4 talus samples ATJ325-332 contain 2.3 to 8.8 ppm Ag. All ran >1000 ppm As.

As anomalous areas and rock types are identified a re-examination of certain areas will be required. From the present limited knowledge it appears:-

- (a) that no volcanic vent has been identified although one or more probably exist.
- (b) quartz veining occurs in several areas but no strong vein systems have been located and chip sampling of surface exposures does not necessarily indicate precious metal content of importance.
- (c) all specimens which have given 50 ppm Ag or better and those with anomalous gold content are of banded, comb and "frothy" quartz. These usually appear barren on the weathered surface but may contain considerable very fine friable pyrite in pumice like cavities or on partings between quartz bands. Float pieces indicate the source veins may be up to 25 cm in width.

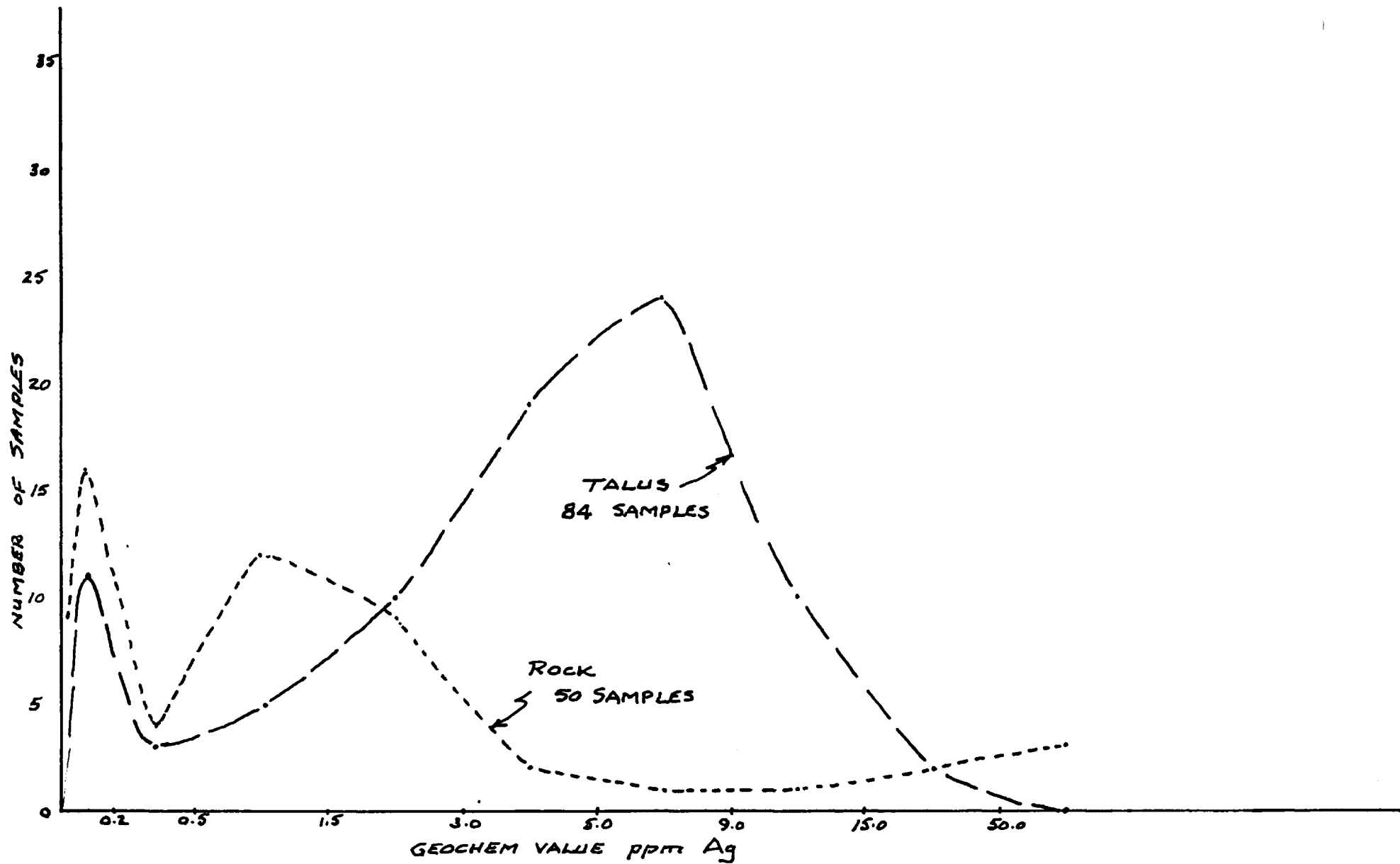
Pyrite, in itself, does not indicate good silver values as sample 73661 is from a 50 cm long rhyolite float in which hard dark grey rhyolite appeared to have intruded light grey, crumbly, rhyolite. In the dark grey rhyolite pyrite veins were common. The sample ran: - 1.6 ppm Ag, 420 ppm As, 20 ppb Au, 4300 ppb Hg. This is the highest mercury value obtained from 45 determinations.

Three graphs are provided to illustrate distribution of Ag, As and Hg values in rock and talus samples analysed to date.

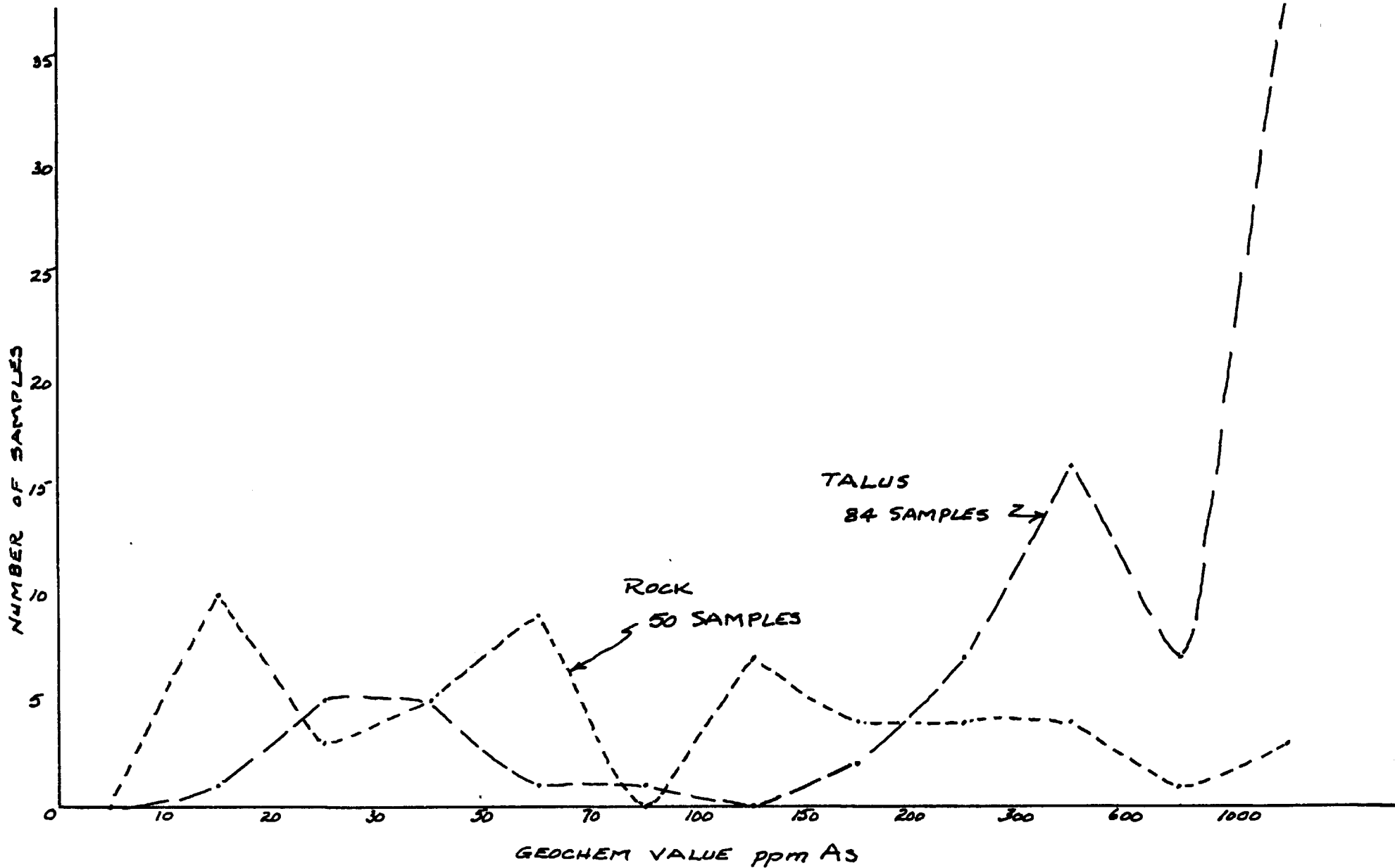
RECOMMENDATIONS

When all current samples are analysed plans will be made to investigate anomalous areas in more detail. It is presently felt that all further rock sampling should be done on freshly exposed trench faces because the fine friable nature of

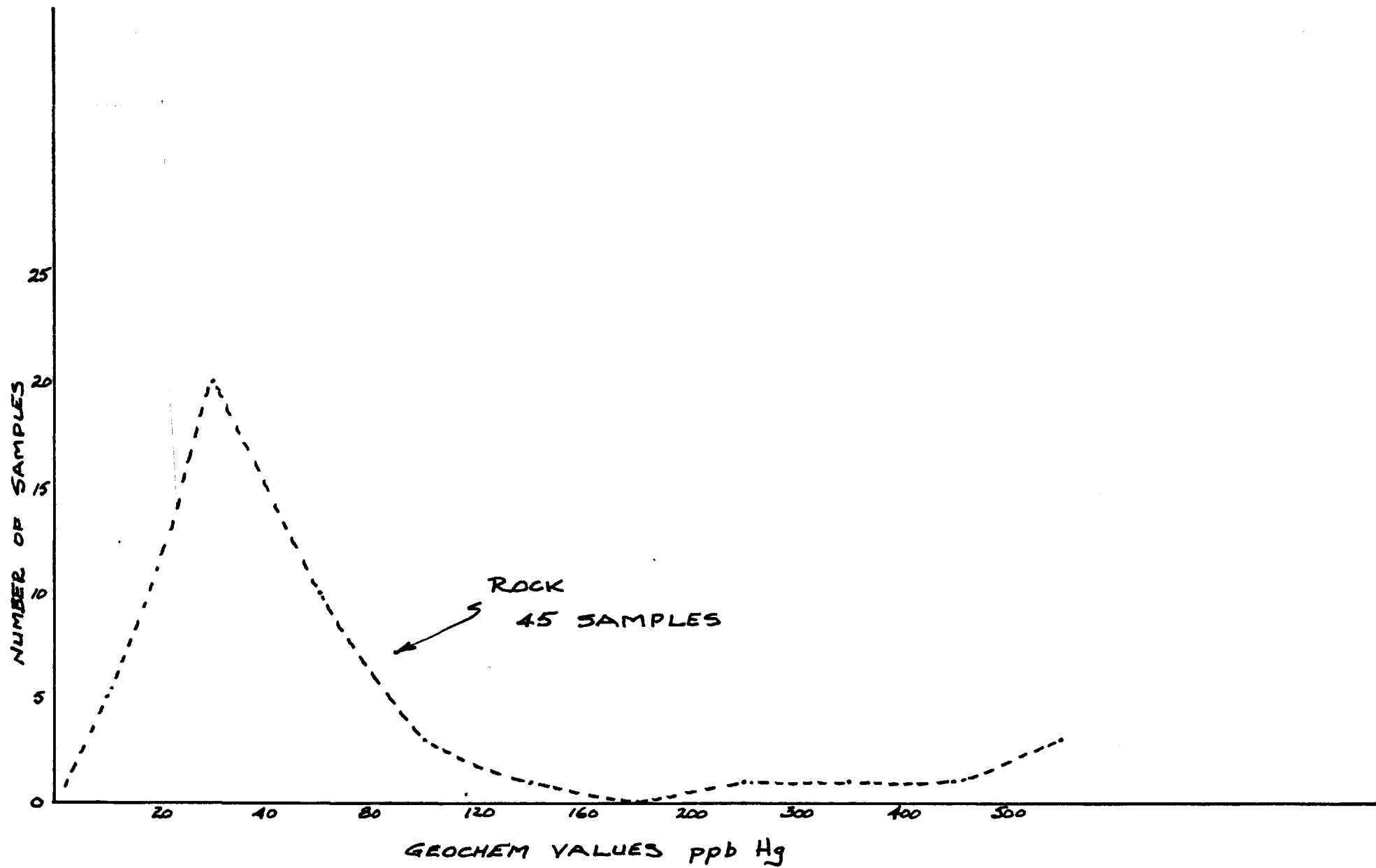
the pyrite seen to date probably weathers easily from the top few centimetres of the outcrops surfaces. Base maps will have to be made up from air photos.



HART GROUP
DISTRIBUTION OF GEOCHEMICAL
VALUES FOR SILVER



HART GROUP
 DISTRIBUTION OF GEOCHEMICAL
 VALUES FOR ARSENIC



HART GROUP
DISTRIBUTION OF GEOCHEMICAL
VALUES FOR MERCURY

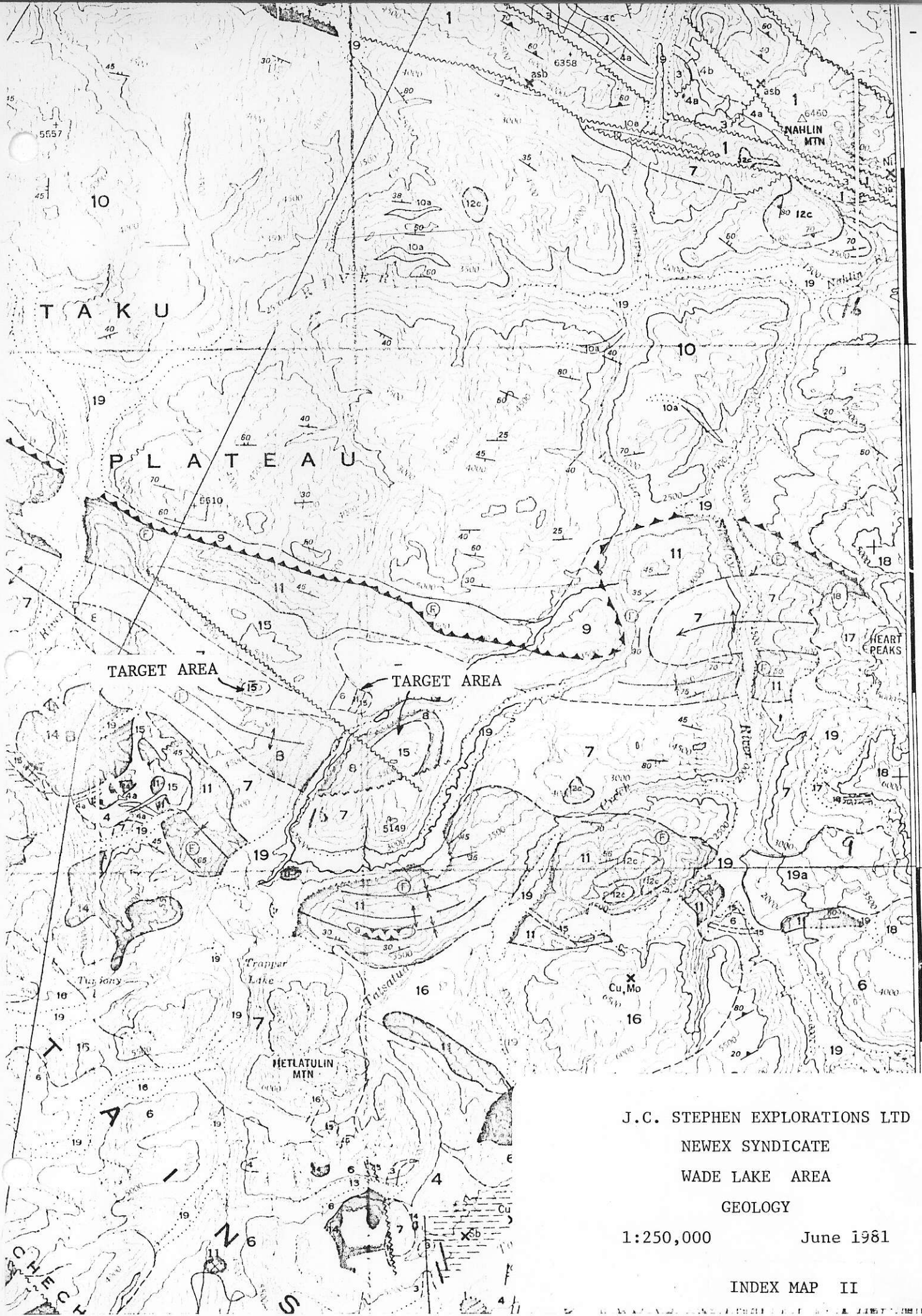
WADE LAKE AREA

Wade Lake is a small shallow lake approximately 25 kilometres west of the HART claim group. A party of two has occupied three camp sites in this area to investigate the occurrence of quartz feldspar porphyries (unit 15) intruding Triassic volcanics and sediments (units 7 and 8). A small area of diorite (unit 6) occurs in the area.

The most south easterly of the three target areas indicated on Index Map II exhibits large rusty zones and it is reported that sphalerite mineralization is associated with calcite filled fractures. No geochem. or assay results have been received as yet and the writer has not visited the area.

The diorite in the central target area contained minor quartz veins which have been sampled. No assay results are available as yet.

The crew have prospected the western porphyry occurrence in the past week.



45'

30

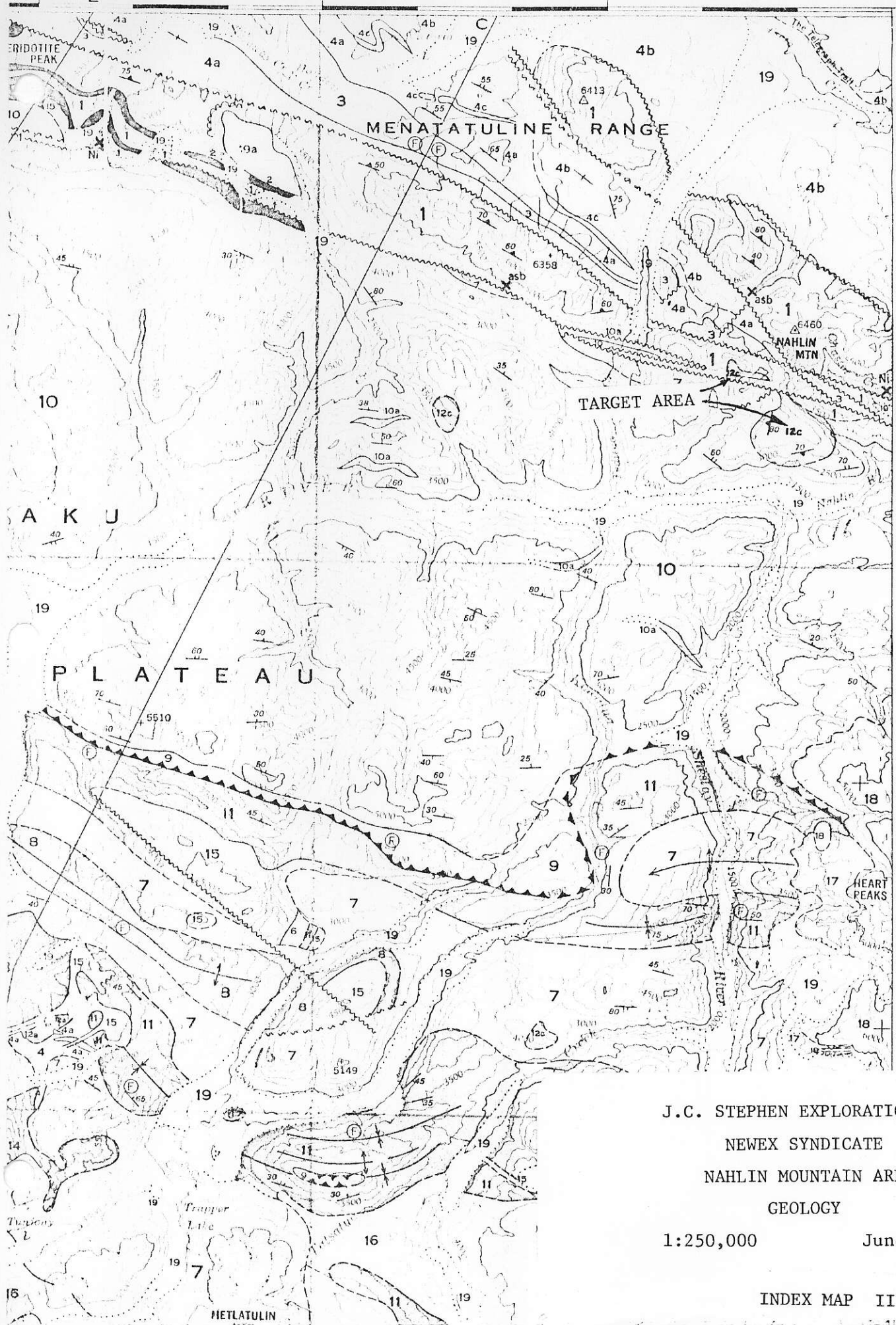
J.C. STEPHEN EXPLORATIONS LTD
 NEWEX SYNDICATE
 WADE LAKE AREA
 GEOLOGY
 1:250,000 June 1981

INDEX MAP II

NAHLIN MOUNTAIN AREA

A party of two prospected the indicated target area south west of Nahlin Mountain. No mineralization or quartz veining was detected in the main dioritic body (12C). Quartz veining was found associated with the more southerly east-west fault and these were sampled but no mineralization was seen. Pyrite was found in an outcrop of andesite and was sampled.

Old trenches and claim posts, probably related to prospecting of the serpentinites for asbestos were seen. Many creeks were in flood and sediment sampling conditions were poor.



J.C. STEPHEN EXPLORATIONS LTD
 NEWEX SYNDICATE
 NAHLIN MOUNTAIN AREA
 GEOLOGY

1:250,000

June 1981

INDEX MAP III

SENTINEL MOUNTAIN AREA

A four man crew was located east of Sentinel Mountain (Index Map IV) to prospect the vicinity of a dioritic intrusive (12) shown on the Atlin geological map.

The area prospected is near the headwaters of McKee, Spruce, Slate and Wilson Creeks, all of which contain placer gold. Topography is relatively gentle and rolling with extensive overburden consisting mainly of glacial till.

No outcrop of intrusive was found at the indicated position but a train of diorite float occurs in the creek to the south and may come from this area. One large diorite outcrop was seen south of the indicated position. This contained quartz veins up to 5 cm in width and was sampled.

The serpentine outcrops areas to the west on Sentinel Mountain were prospected but nothing of interest was found.

Abundant fine pyrite was seen in the greenstone unit near the serpentine contact as well as in the vicinity of the diorite. The greenstone appeared to be silicified in places. White milky quartz float was fairly common.

Limestone horizons were examined for areas of silicification but no alternation or mineralization was found.



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NEWEX SYNDICATE
SENTINEL MOUNTAIN AREA
GEOLOGY

1:250,000 June 1981

INDEX MAP IV

NAKINA WEST AREA

Index Map V shows location of a target area which was occupied by a prospecting crew at the end of June. The regional geochemical maps indicate the two small tributary streams to be anomalous for Cu and Zn. The area is being examined for possible Kutcho Creek type deposits.



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 NEWEX SYNDICATE
 NAKINA WEST AREA
 GEOLOGY

1:250,000

June 1981

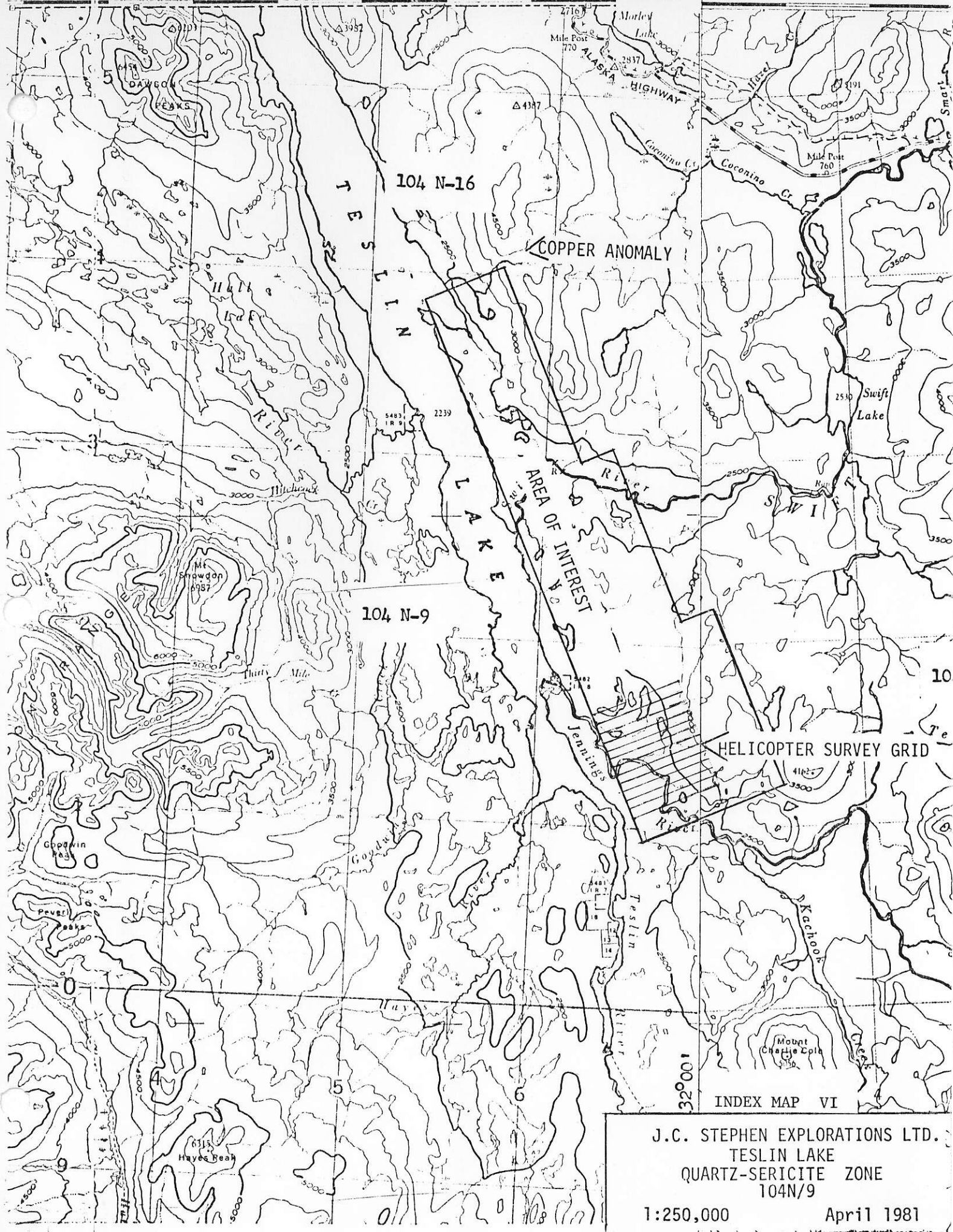
INDEX MAP V

SOUTH TESLIN LAKE AREA

A small aeromagnetic and VLF-EM survey was proposed to cover an area on Jennings River where pyritic quartz sericite schist and a copper geochemical anomaly were known (Index Map VI). The air survey work was contracted to Evergreen Exploration to follow survey work being done north of Swift River in the Yukon.

The survey commenced June 28 with a flight check of equipment as mounted on a 500 D helicopter at Swift River. Two flight lines were then completed at the south end of the grid when the tow cable to the EM bird failed due to a faulty cable connection above the EM bird. A new cable was shipped up and arrived late on June 30. Adverse weather prevented resumption of the survey until July 3 when work resumed in marginal weather conditions. After completion of about one half the survey area the helicopter failed to lift sufficiently over a ridge with high trees and the EM bird collided with one of the trees breaking off the tail section. The broken equipment was recovered and an attempt was made to repair the EM bird. Although the unit was test flown July 4 it was deemed unreliable and the survey was cancelled.

Tapes and charts have been forwarded for preparation of maps. Initial examination by Roy Woolverton suggests at least one significant EM conductor north of the quartz sericite schist outcrop. The area of the copper geochem. anomaly has not been flown.



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 TESLIN LAKE
 QUARTZ-SERICITE ZONE
 104N/9
 1:250,000 April 1981

GENERAL

Chevron Minerals have a base camp at Trapper Lake conducting a precious metals program with 14 persons and a 500 D helicopter on contract. Our crews have been visited by Chevron crews at Nahlin Mountain and have seen evidence of their prospecting in other areas. Most work by Cominco, Semeo etc. appears to be closer to the Tulsequah area.

Helicopter service provided by Keystone Helicopters has been good. considering the large amount of business they are looking after. Their casual rate is \$ 400/hr plus fuel for the 500 D as compared to TNTA rate of \$ 450/hr plus fuel for the same type machine.

The following financial report indicates the expenditures incurred to date.

Respectfully submitted
J.C. Stephen Explorations Ltd.

J.C. Stephen
per M.D.

J.C. Stephen

JCS/a1

NEWEX SYNDICATE

FINANCIAL REPORT

April 1 - June 30, 1981

<u>Item</u>	<u>April 1-June 30</u>	<u>Year to date</u>
ADVANCES-EXPENSES	\$ 1,946.36	\$ 1,946.36
ACCOUNTS RECIEVABLE	154.12	154.12
MACHINERY & EQUIPMENT	2,500.00	2,500.00
FOOD	2,500.00	2,500.00
MAPS, PHOTOS, PUBLICATIONS ETC.	1,015.05	1,015.05
CLAIM RECORDING	600.00	600.00
GEOCHEMISTRY	1,156.22	1,156.22
SUB-CONTRACTS	1,278.50	1,278.50
CASUAL LABOUR	27.85	27.85
SALARIES & BENEFITS	19,252.31	19,252.31
WORKERS' COMPENSATION	386.35	386.35
TOOLS AND SUPPLIES	2,418.26	2,418.26
BLUEPRINTING, DRAFTING & SUPPLIES	1,580.26	1,580.26
EQUIPMENT RENTAL & REPAIR	72.00	72.00
AIRCRAFT RENTAL	5,310.75	5,310.75
TRUCK RENTAL	1,753.11	1,753.11
VEHICLE OPERATING COSTS	720.11	720.11
TRAVEL EXPENSE	3,646.68	3,646.68
TELEPHONE, POSTAGE	221.52	221.52
INSURANCE	294.78	294.78
J.C. STEPHEN EXPLORATIONS LTD. SERVICES	6,074.11	6,074.11
OVERHEAD	2,641.25	2,641.25
LICENSE FEES	<u>15.00</u>	<u>15.00</u>
TOTAL	\$ 55,564.59	\$ 55,564.59
CONTRIBUTIONS		<u>60,000.00</u>
BALANCE PER BANK		4,435.41