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November 16th, 1970.

M E M O

673037

To: W.R. Bacon
J.J. Crowhurst

From: M.F. Cowan

Re: Quatam River Property
of Capilano Explorations Ltd.

On November 13th I visited the property to obtain a general picture of what has been done since the completion of my own work in April, 1970.

The entire property has been re-mapped by Newmont personnel using up-dated aerial photographs. Their interpretation of the geology is essentially the same as mine. They have compiled a regional geological map as well from some helicopter-supported reconnaissance mapping.

All detailed work on the property has been confined to the mineralized breccia zone. Grid lines at 200' spacings have been cut across this zone and served as control for detailed mapping, a soil geochemical survey, and an IP survey.

The detailed work has indicated that the breccia zone is somewhat smaller than originally mapped, and is terminated on three sides by linear structures, presumably faults, giving it a triangular-shaped surface outline. The longest and shortest medians of the triangle are approximately 1000' and 600' respectively.

Two drill holes across the mineralized breccia have been completed. A third was in progress at the time of my visit.

Data on these holes are as follows:

<u>Drill Hole No.</u>	<u>Azimuth</u>	<u>Angle</u>	<u>Length</u>
1	226°	-25°	1123'
2	250°	-25°	494'
3	190°	-25°	800' proposed

D.D.H. #1 reportedly had a high assay of 0.38% Cu over 10' (360'-370'). This section of the core had 50' of 0.22% Cu, or 100' of 0.17% Cu. D.D.H. #2 reportedly had 40' of 0.1% Cu. D.D.H. #3 was down to 492' when I left the property. I observed fairly abundant disseminated pyrite, pyrrhotite, and chalcopyrite from 455' to 490' and estimated 2-3% sulfides in the section 470' to 490'. The sulfides are finer grained and better disseminated in this section than in the best mineralized sections of core from D.D.H. #1, where they occur as rather large, sometimes isolated blebs in the breccia matrix. The sulfides are principally confined to the dark dioritic matrix of the breccia and few are found in the light-coloured siliceous breccia fragments. Thus, sections with large breccia fragments will generally yield low copper values.

Chalcopyrite is the main sulfide in the better grade sections of D.D.H. #1. Bornite was observed in the better mineralized sections of D.D.H. #1, as sporadic blebs and short streaks. The iron sulfide content appears to decrease with increasing copper sulfide content and this inverse relationship suggests the existence of sulfide zoning within the breccia zone.

The breccia in the drill core shows very minor alteration. Minor silicification and some potassium feldspar alteration and epidotization along fractures were the only types of alteration observed in the drill core.

While ore grade material has not been intersected in the drill holes, the mineralization in the core is of such grade and extent that interest in the property should be maintained. Because the existing drill holes have been collared at relatively low elevations on the northeast edge of the breccia zone and have been drilled in an up-slope direction into the zone, a considerable tonnage of material overlying the core intersections has not been tested. The area of anomalous soil geochemical values between the breccia zone and Burma Creek remains to be tested as well. Furthermore, a possibility exists that if the structures terminating the breccia zone have any continuity, another breccia zone could be repeated to the northwest of the existing one. Only one IP line was run in this area, on the north edge of the grid, and while no response was shown, I would not consider it definitive of the area between the breccia zone and the Quatam River.

M. F. Cowan

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