

J.C. STEPHEN EXPLORATIONS LTD.
TARGET PROJECT #117
THIRD QUARTER REPORT
TO SEPT 30, 1977

673482

PROJECT 117 - TARGET PROJECT

THIRD QUARTER REPORT

TO SEPTEMBER 30, 1977

by

J.C. STEPHEN

J.C. STEPHEN EXPLORATIONS LTD.

1124 WEST 15th STREET

NORTH VANCOUVER, B.C.

OCTOBER 10, 1977

PROJECT 117 - TARGET PROJECT

THIRD QUARTER REPORT TO SEPTEMBER 30, 1977

INTRODUCTION

During most of the period July and August four men were employed with two vehicles in follow up work on and around uranium anomalies located in the Nechako area (map sheets 93 F, G)

Three claim blocks were staked and preliminary mapping and soil sampling started. There are a total of 216 "units" staked under the B.C. Mineral Act which requires \$ 200.00 per unit annual assessment work.

Geological mapping, magnetometer surveying and limited rock sampling was done on the LION group where 38 units were staked in April.

This work was done under contact by Mr. C. Harivel whose preliminary report and assay results have just been received.

Work was halted August 31 as funds ran out. Two employees returned to university and two were transferred to another project.

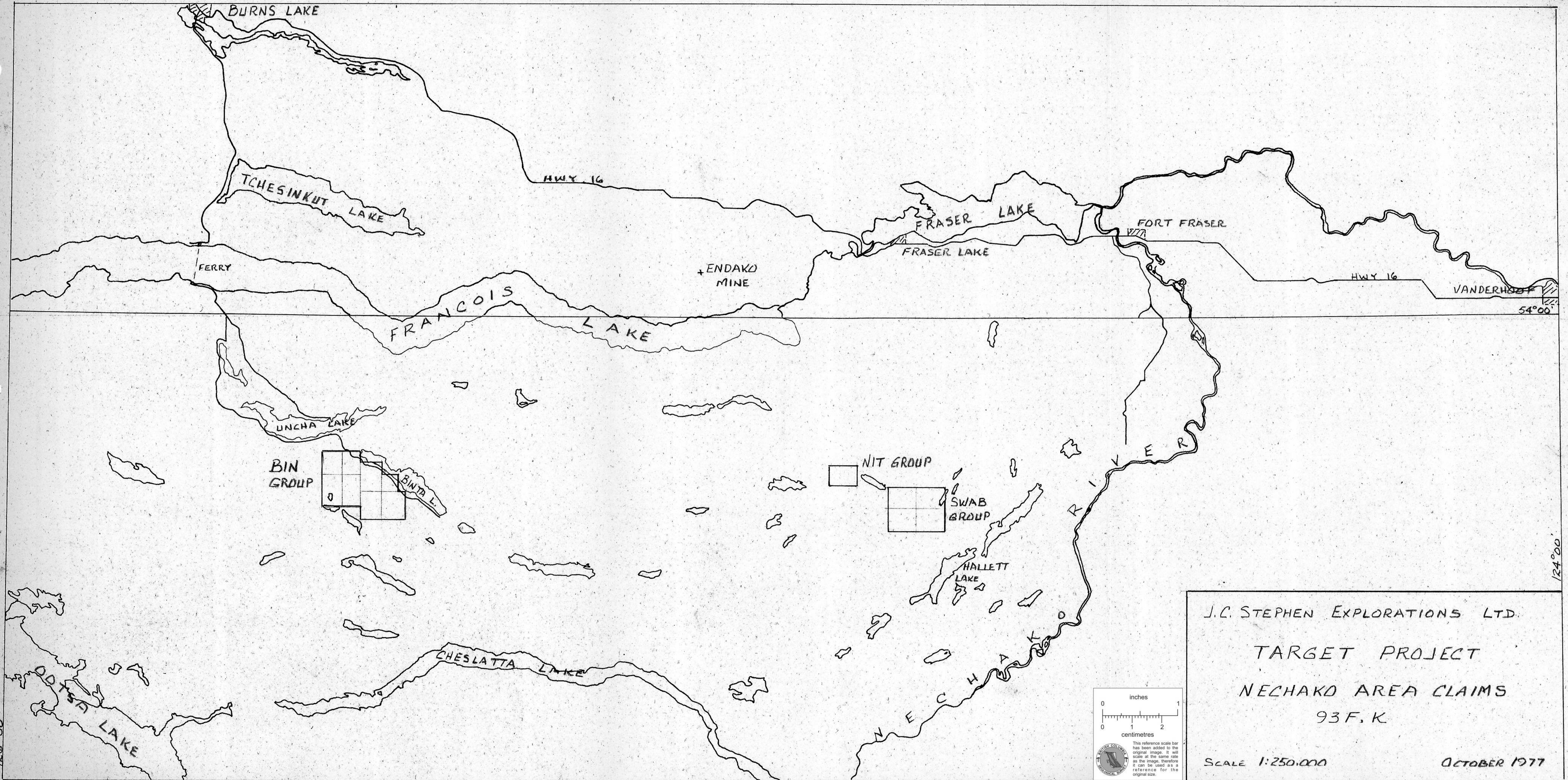
The following is a summary of results to date. In all cases geological and geochemical results have yet to be plotted on adequate base maps.

NECHAKO AREA 93 F, G.

The reconnaissance silt sampling program was halted early in July in favor of staking known anomalous areas. Crews from Falconbridge, Barrier Reef, and other companies were then in the area and carried out road reconnaissance as well as helicopter supported lake bottom and

water sampling programs.

Three claim groups were staked to cover our reconnaissance anomalies. These groups are the SWAB - 80 units, NIT - 20 units and BIN - 116 units.



J.C. STEPHEN EXPLORATIONS LTD.
 TARGET PROJECT
 NECHAKO AREA CLAIMS
 93 F. K.

SCALE 1:250,000

OCTOBER 1977

SWAB CLAIM GROUP 93F/15

This consists of 4 claims with a total of 80 units. Additional stream silting, preliminary geological mapping and 24000 metres of soil sampling were carried out. Soil sampling was done on a 100 x 100 metre grid. Due to shortage of funds these samples are stored in North Vancouver awaiting processing.

The claim group is underlain almost entirely by a Tertiary alaskite body. Small areas of diorite, granite, conglomerate and chert were noted.

No uranium mineralization has been found. The alaskite gives scintillometer readings of 3 to 4 times background generally.

On the south half of the property the alaskite hills give way to a relatively flat area. Uranium silt values up to 53 and 331 ppm occur here. Silts at the south boundary of the property return only very low values. It is possible that beds of volcanics and sediments underlie this area and could serve as hosts for deposition of uranium leached from the alaskite.

On the north east quarter of the property silts gave values up to 32 ppm uranium which appear to come from the alaskite body.

In this same region the alaskite is in contact with the granitic Topley intrusives and silts, over a large area, gave highs of 125, 210 and 300 ppm molybdenum. Some values occur off the property to the north. The vicinity of the alaskite Topley intrusive contact may be favorable for molybdenum deposition and further work is required here. Pyrite has been observed in significant amounts in the area.

The Endako mine which occurs in the Topley intrusives lies

16 miles north west of the SWAB group.

The claim block warrants careful geological mapping together with continued soil sampling. The area of the molybdenum anomaly may justify an IP survey if present indications are confirmed by more detailed work.

NIT CLAIM GROUP 93 F/15

This group consists of one "claim" of 20 units and is located approximately three kilometres west of the SWAB group.

Reconnaissance silt sampling returned two values of 41 and 50 ppm in stream silts. Preliminary geological investigation and additional silt sampling were undertaken.

The claim is underlain by conglomerate within which no subdivisions have so far been recognized. "Clasts vary in composition from cherty pebbles to volcanic rock fragments." The material is poorly sorted and varies in size from less than 2mm to 4 cm.

Silt sample results are anomalous in one relatively local portion of the claim and range from 13 to 85 ppm uranium.

No mineralization has been observed.

The claim warrants a program of geological mapping, scintillometer surveying and additional geochemical sampling.

BIN CLAIM GROUP 93F/13 & 14

This group consists of 8 claims of 116 units located about 45 kilometres west of the SWAB group.

Silt sampling has returned anomalous values up to 110 ppm uranium in a rather scattered pattern.

Soil sampling was carried out at 100 metre intervals along the claim lines running north south across the property. These lines are up to 2000 metres apart. Of approximately 240 samples only four are anomalous with a high of 13 ppm uranium.

Scintilometer readings over outcrop areas gave approximately the same level of reading for all rock types. This was 2 to 3 times normal background.

Rock types were originally mapped as rhyodacite, tuff, tuffaceous rhyodacite and conglomerate. During Dr. Watsons visit it was pointed out that the tuffaceous rhyodacite was a spherulitic glass unit. The "conglomerate" is a volcanic unit the clasts being either xenolithic or agglomeratic fragments. Perlitic texture is common. These acid volcanics are a relatively good source rock for uranium.

These acid volcanics are a relatively good source rock for uranium. Further investigation will be required to locate the source of uranium present in silt samples. This source hopefully would be an organic rich unit capable of precipitating uranium leached from the acid volcanics.

LION CLAIM GROUP 93 M/16 E

Two rock specimens collected by G.S.W. Bruce and J.C. Stephen near the end of June were sent for spectographic analysis. Significant results were: -

	#1	# 2
	#1 Massive pyrite, chalcopyrite lens high on cliff face above #2 showing.	#2 Rhyolite breccia from gossan zone, west side of ridge.
	ppm	ppm
Arsenic	1000	below limits
Barium	700	200
Cadmium	150	below limits
Calcium	3 %	2 %
Chromium	150	100
Cobalt	150	below limits
Copper	>10,000	1500
Lead	1000	5
Manganese	300	200
Molybdenum	150	below limits
Silver	30	below limits
Tin	50	below limits
Titanium	100	2000
Vanadium	100	50
Zinc	>10,000	100
Zirconium	30	150

Chip sampling of the west side gossan returned very low values. The best were 0.11, 0.15 and 0.17% copper each over 3 metres. Best average was 0.13% across 6 metres. The completed report by Harivel will be included in our year end report. His conclusions however indicate that he feels the mineralization to be related to granitic intrusives

located a short distance south west of the showings.

The low tenor of the assay results and lack of evidence for massive sulphide mineralization suggests that no further work is justified on this property at present.

GENERAL

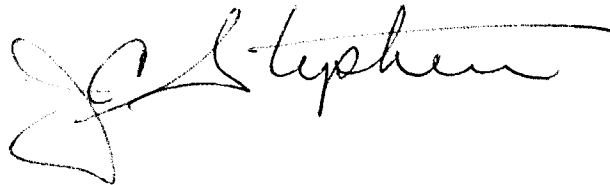
As a measure of possible costs involved in a 1978 continuation of the uranium part of the project, the 216 units now held would require \$43,200 worth of applicable assessment work to keep them in good standing each year. Under the current Mineral Act it is not always easy to reduce the size of the unit holdings. An early indication as to whether the 1978 budget of \$50,000 should be directed exclusively to this project, rather than to continued prospecting and research, would be appreciated.

Clause 15 of our agreement requires us to keep claims in good standing unless otherwise instructed by Domex. Compilation of data on LION will be completed and forwarded with our year end report. Present indications are that we will recommend dropping the property.

A financial statement is provided with this report showing that the current budget has been overspent. No further analysis of samples on hand, including raw soil samples from SWAB group, is contemplated until funds are available from the 1978 budget.

The Target Project agreement does not commit Domex for expenditures above the \$50,000 budget provided. An invoice accompanies this report however, covering the \$2124.62 over expenditure paid by J.C. Stephen Explorations, for your consideration.

Respectfully submitted,
J.C. STEPHEN EXPLORATIONS LTD.

A handwritten signature in cursive script, appearing to read "J.C. Stephen", written in black ink.

PROJECT 117 - TARGET PROJECT
FINANCIAL REPORT TO SEPTEMBER 30, 1977

Account	Period July 30 - Sept 30	Year to Date
Advances expenses	\$ 500.00 Cr.	\$ -
Machinery and equipment	3360.69	4633.27
Purchases - food	1257.83	1741.33
Purchases - maps, photos, etc.	89.26	814.62
Claim recording	1080.00	1080.00
Sub-contracts	1760.47	3470.47
Geochemistry	2932.80	7777.51
Casual labour	11.00	22.25
Holiday pay	423.31	423.31
Blueprinting, drafting	55.12	141.52
Equipment rental	190.00	190.00
Aircraft rental	1496.00	2536.18
Truck rental	1530.83	1530.83
Repairs equipment	45.00	45.00
Vehicle operating costs	2190.13	3034.48
Public relations, symposiums etc.	-	160.32
Travel expense	1693.44	3018.99
Salaries and benefits	9900.56	13400.91
Telephone, postage, etc.	103.56	133.27
Express and cartage	189.85	224.50
Insurance	-	186.00
J.C. Stephen Expl'n services	1908.33	5555.64
J.C. Stephen Expl'n 15% overhead	1139.88	1664.93
Licence fees	11.75	26.75
Legal and collection	75.00	75.00
Interest and bank charges	7.25	9.00
TOTAL EXPENDITURES	\$30952.06	\$51896.08
TOTAL CONTRIBUTIONS		50000.00
OVER EXPENDITURE		1896.08
BANK BALANCE AT SEPT 30, 1977		228.54
J.C. STEPHEN EXPL'N CONTRIBUTIONS		2124.62
Over expenditure paid by J.C. Stephen to date:-		
Salaries	\$ 1701.31	
Holiday pay	423.31	
Total	\$2124.62	
Invoices outstanding:-		
J.C. Stephen Expl'n overhead for September	318.69	
Chemex Labs	246.55	
Total	\$565.24	