

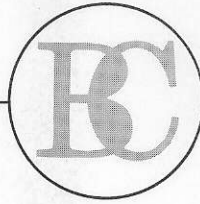
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REPORT on the
ROLLING HILLS PROPERTY
of

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HIGHLAND MERCURY MINES LIMITED
KAMLOOPS M.D., BRITISH COLUMBIA

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



BACON & CROWHURST LTD.

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

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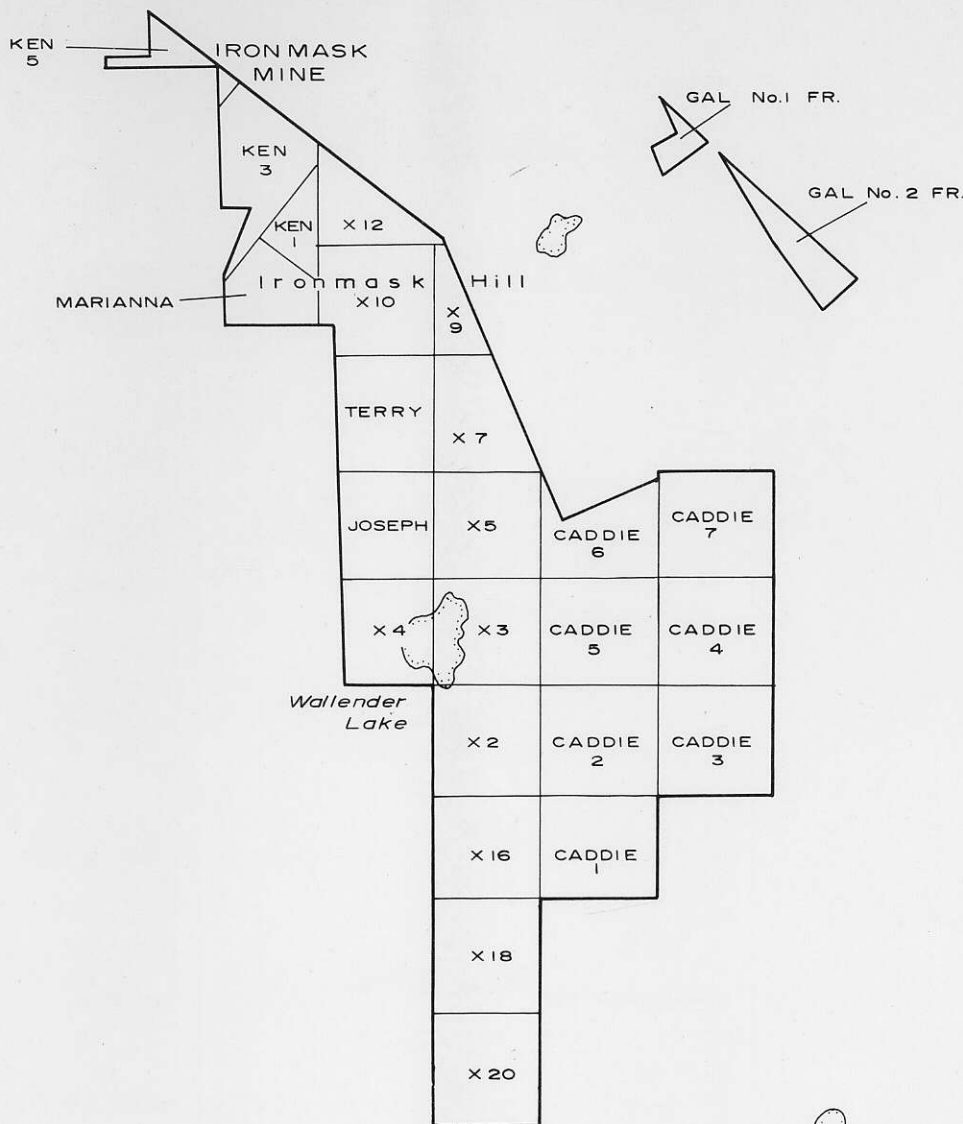
BRITISH COLUMBIA

by

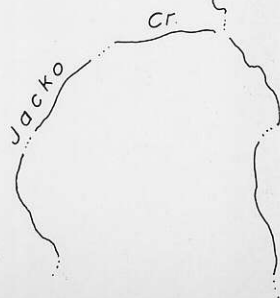
W. R. BACON, Ph. D., P. Eng.

Vancouver, B. C.

April 13th, 1972



Coal Hill



BACON & CROWHURST LTD.
SKETCH SHOWING
ROLLING HILLS CLAIMS
OF
HIGHLAND MERCURY MINES LTD.
KAMLOOPS AREA
SCALE: 1" = 1/2 Mi. APRIL 10, 1972

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ILLUSTRATION

Sketch showing Rolling Hills Claims
of Highland Mercury Mines Ltd.
Scale 1" = $\frac{1}{2}$ mi.

Frontispiece

INTRODUCTION

The location of the Rolling Hills claims which are the subject of this report is shown on the frontispiece. They are west and southwest of Kamloops and can be reached by various secondary roads branching off the Trans-Canada Highway west of Kamloops.

Certain of the claims under consideration were visited by the writer on February 1st and March 23rd, 1972. The claims have been surveyed and, therefore, there is no doubt concerning either their reality or location.

The claims form an elongate group that practically cross-sections the Iron Mask batholith from north to south. Two fractional claims, Gal 1 Fr. and Gal 2 Fr. are on either side, north and south, of the Galaxy (Evening Star) shaft where 5,000,000 tons of copper ore is reported to average 0.5% Cu.

The area of the claims is partially timbered and partially open grazing country. A small lake, Wallender Lake, occurs on claims X3 and X4. Jacko Lake, one of the two fair sized lakes in the Iron Mask area, occurs southeast of the claims.

The claims are at a general elevation of 3000 to 3500 feet above sea level.

PROPERTY

The claims which are subject to an agreement between Rolling Hills Copper Mines Ltd. and Highland Mercury Mines Limited are as follows:

<u>Claim Name</u>	<u>Record No.</u>
X 2	41212
X 3	41213
X 4	41214
X 5	41215
X 7	41217
X 9	41219
X 10	41220
X 12	41222
X 16	41225
X 18	41227
X 20	41229
KEN 1	41313
KEN 3	41315
KEN 5	41317
CADDIE 1	41258
CADDIE 2	41259
CADDIE 3	41260
CADDIE 4	41261
CADDIE 5	41262
CADDIE 6	41263
CADDIE 7	41264
GAL 1 FR.	48499
GAL 2 FR.	48500
MARIANNA	51332
JOSEPH	51330
TERRY	51331

GENERAL GEOLOGY

Because the Rolling Hills claims transect much of the Iron Mask batholith from north to south, a consideration of the batholith is essential.

The Iron Mask batholith derives its name from the famous old Iron Mask mine which is a short distance due east of the northernmost claim, Ken No. 5.

The batholith outcrops about 3 miles southwest of Kamloops. It trends northwesterly and is less than 3 miles in average width. In length the batholith may be said to extend no farther northwest than the Trans-Canada Highway and, if so, its dimensions, 3 miles x 12 miles, do not qualify it for the name 'batholith'. If, however, one presumes the batholith to continue beyond the Trans-Canada Highway, beneath the Tertiary volcanics and sediments, and resurface in the Kamloops Lake area, its dimensions could be 3 miles x 20 miles and thus it would attain the minimum dimensions required of a batholith.

The undersize Iron Mask batholith is a complex of quartz-poor, nondescript intrusive rocks. It is unusual in that fifty per cent of its surface area is dominated by micro-varieties.

Both coarser-grained and finer-grained batholithic rocks occur in the vicinity of the Highland Mercury property. The former, however, are found mainly in the Jacko Lake sector whereas the claims are largely underlain by the finer-grained rocks.

The coarser-grained batholithic rocks are gabbro and diorite which are indistinguishable in the field. They are commonly magnetic.

The finer-grained batholithic rocks are microdiorite and micromonzonite that appear to grade into one another. Alteration and recrystallization may be responsible for apparent differences between the two rocks.

CLAIMS APPRAISAL

The majority of the claims under consideration were explored during the mid-60's when magnetic, induced polarization and soil surveys were undertaken. All this work merits a "new look" but there are certain things that can be stated beforehand.

East of Wallender Lake there are coincident magnetic and induced polarization highs but the geochemical readings are apparently low. In spite of the fact that two percussion holes tested the induced polarization high and intersected only magnetite and pyrite, more checking should be done here, particularly from a geochemical standpoint.

The northernmost claims, so close to both the Iron Mask mine and the Galaxy deposit, obviously require a most careful scrutiny.

Nothing really need be said about the Gal 1 and Gal 2 fractions. They are on either side, north and south of the Galaxy (Evening Star) shaft and their strategic locations require no further comment.

RECOMMENDATIONS

There is no purpose in acquiring the Rolling Hills ground unless it is considered that a fresh, modern approach might prove fruitful, particularly in dealing with geophysical and geochemical results obtained from work undertaken seven years ago.

The writer firmly believes that there is merit in the claims acquisition and that a careful appraisal of all the collected technical data should be undertaken. It is also strongly recommended that provision be made to re-do the claims area - geochemically and with induced polarization. Geology should be applied to its fullest extent.

When the results, old and new, are considered separately and together, provision must be made for extensive percussion drilling. This relatively inexpensive tool has achieved its maturity in the Iron Mask area with its effective use in the discovery of Afton's Lake deposit. Diamond drilling would form part of a second stage.

COST ESTIMATEPhase I

Re-establishment of grid control	\$2,500
Soil survey	3,000
Induced polarization work	12,000
Percussion drilling, 7,500 ft. @ \$3/ft.	22,500
Supervision, geology, engineering, assaying	<u>4,000</u>
	44,000
Contingencies, say 10 per cent	<u>4,400</u>
	<u>\$48,400</u>

Phase II

Percussion drilling, 7,500 ft. @ \$3/ft.	\$22,500
Diamond drilling, 3,500 ft. @ \$7/ft.	24,500
Supervision, geology, engineering, assaying	<u>4,000</u>
	51,000
Contingencies, say 10 per cent	<u>5,100</u>
	<u>\$56,100</u>

TOTAL

\$104,500

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 am presently, and have been since 1966, the holder of record of 65,000 escrowed shares of the company, but on March 30, 1972, I entered into an agreement to sell all of these shares subject to requisite regulatory body consent. Consequently, and subject hereto, I now 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.
April 13th, 1972.