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Mr. D.E. Agur, R.R. #1, Site 17, C-9 Summerland, B.C. VOH 1ZO

Dear Don;

Enclosed are three copies of our report "Stadia Survey Controlled Geological Mapping and Logging of Reverse Circulation Drill Holes on the Siwash Siver Property". How is that for a long title?

Two copies, marked #1 and #2, are for filing with the Ministry of Mines. The reports each contain copies of the two statements of expenditures as provided for recording work previously. I had considered sending these directly to Talis Kalnins in Victoria but feel it would be safer to have you file them with the Princeton office so that they may follow the normal channels.

The reports have been revised and expanded as a result of the work on Navajo and RCH-8 and, although the property is technically very interesting, the big problem is still the lack of economic assays over mineable widths. The black manganese "breccia" in the upper trench at Navajo is probably a case of manganese deposition cementing surface rock fragments. Although I called it a breccia while you were there further examination of the fragments indicates several are rounded and some are weathered. Hence the change in designation. This rather large concentration of black material - called manganese wad - suggests there may be more mineralization further uphill.

After plotting this material I regret I did not take the opportunity to climb up the hill to the upper trenches we shot in with the transit near your yellow flag. That area is close to being on strike of the high grade main shear zone in Navajo trench and that zone may underlie the manganese wad.

I have included in the report a tabulation of the main fracture systems for each area mapped. I had hoped a pattern would evolve which would suggest a controlling system. Such a pattern is not evident. The idea of a system of flat faults is still important. The relative age of the various faults is, however, very complex.

a) the flat faults, Western Trench, cut off the tops of andesite dykes, vertical shear zones parallel to the andesite dykes, their pyritic veins, and Unit 6 quartz feldspar porphyry (quartz eye) dykes. Although not exposed at present, this would likely mean that the flat faults would also cut off the veins which run parallel to the quartz feldspar and

the quartz feldspar biotite dykes. This is not certain since we have not seen what the real relationship is between the flat faults and the quartz feldspar biotite dykes. As I had mentioned it is not unusual for vein type mineral deposits to have parallel young intrusive dykes.

- b) the main shear-fault-vein system at Navajo strikes N15°E, the same as the main faults at Camp Zone. This Navajo shear zone offsets andesite dykes or, rather, the andesite dykes at Navajo are offset by several small faults which are parallel to, and probably related to, the main Navajo shear zone. This makes the shearing relatively young (post andesite) and possibly similar in age to the flat faults (post andesite). However we do not have any direct evidence of the relationship between the flat faults and the N15°E shear zones.
- c) the yellow, rusty weathering, Unit 5, shear zones are most prominent in the South Silver, Spud, Comanche zones and occur in the north trench at Western one. This pattern may be misleading since the Unit 5 zones are mapped based on visual appearance of zones due to oxidation and weathering. Therefore, other zones which may consist of sheared, green altered granite, with pyrite mineralization, which have not been oxidized by weathering, may be the same unit but may not have been mapped as such. The main gouge fault at South Silver and some of the zones in the main Western trench may be such cases.

At any rate, the Unit 5 shears are younger, at least in some cases, than the flat faults since the Unit 5 shears offset the flat faults in Comanche Zone.

These complexities make it impossible for me to confidently recommend a direct course of action to expose ore type mineralization.

I had contacted Robert Longe of Minequest regarding the magnetometer, VLF-EM survey they carried out on the property in 1986 for Westron. He has had to cut down his office from 3000 sq. feet to 400 sq. feet and the old survey data has gone into storage. He wishes to be paid for the time to dig out the data and to make copies for our use which would likely come to about \$150. He would also like us to have permission from Livgard first. Ihave not yet been in touch with Ron Sheldrake who had done an interpretation of that survey since Ron had closed his office, had worked in Washington state for a time, had recently been treated for colon cancer and, although I know he is up and around, I doubt if his records would be readily available. I think the next step is to get in touch with Livgard directly.

If a company should be induced to finance work on the property the following program should be followed:-

- a) acquisition of a large scale topographic map, hopefully from recent air photos, showing current road, trench locations and, preferably, closely spaced contours;
- b) mapping of detailed geology in the whole area South Silver-Camp-Navajo at a reasonable scale such as 1:2,500

- c) complete a magnetometer, VLF-EM survey using at least two channels for the VLF-EM on a detailed grid. Line spacing of 50 metres with stations at 12.5 metre intervals would be desirable a fairly expensive project. Even more detail would be required in specific areas of interest.
- d) re-examination of all existing drill cuttings and drill core with check sampling of indicated zones of interest for precious metal assay. The assumption that gold assays are only justified where silver values are elevated is probably justified but I think there are zones of significantly anomalous silver which have not been checked for gold.
- e) systematic rock sampling of mineralized veins, shears and fracturealteration zones.

All this would be a pretty major undertaking and, with so many properties available, it is unlikely we will find a funding company easily.

Best regards, we will have to keep in touch regarding the possibilities here.

Yours truly,

J.C. Stephen