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• Mr. P.J. Stevenson,
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Vancouver, B.C.

Dear Paul,

I very much appreciated the opportunity of visiting your drilling program in the Goosely Lake area December 11 and 12.

From my rather superficial observations the following suggestions come to mind.

(1) The concept of a "rhyolite dome" should be carefully analyzed after logging core from the three holes. Relatively consistent attitude of unfractured sections of tuff in Hole 2 suggest that some correlation of attitudes may be made if similar sections occur in Holes 1 and 3. I did not observe evidence of an igneous (intrusive or flow) "dome".

It would be helpful to have a reasonably accurate surface contour map with superimposed bedrock surface contours. This mapping should extend east to the intrusive stock. Partial bedrock contours may be derived from outcrop areas and from drill results, both percussion and diamond drill.

The "dome" structure around which exploration is concentrated may be an erosional peak of brecciated rhyolite tuff surrounded by deep overburden.

(2) A relatively precise magnetometer survey should be conducted. This should outline the contact of the basic intrusive body at least. In addition there may be other rock types in the vicinity of the rhyolite which would be reflected giving a better picture of the structure. The rhyolite I saw is probably very low in magnetic response.

(3) The geochemical values obtained by percussion drilling appear to me to be quite low. There is some increase in values in percussion holes 9, 10 and 11 for which I have not seen a summary log. My recollection is that these are located close to the basic intrusive but I have assumed the values are from volcanic rocks. Values in percussion holes around the "rhyolite dome" are not very high.

Specimens collected from DDH 79-2 representing (as I remember them) (a) brecciated green tuff with bleached fragment rims, (b) breccia with relatively large, sharp, fresh edged fragments, (c) relatively unfractured thin bedded green tuff, (d) fine "milled" bleached breccia, and (e) massive pale buff grey tuff may show geochemical variation. I would assume, if mineralization is present in the system, that the fine "milled" breccia would show the highest values.

Superficially at least, the higher values in percussion holes 9, 10 and 11 and the location of reported float suggests exploration might be directed more to the east to the vicinity of the basic intrusive. I do not wish to suggest any genetic relationship between the basic intrusive and possible mineralization. There is no evidence to support that thesis in my opinion.

(4) The EM-16 survey results should be subjected to the "Fraser filter" treatment to see whether alternate interpretations might evolve. I have not had enough experience with this to know whether the 50 metres or so of overburden are beyond the limits of this survey technique.

The pulse EM results would bear review in light of the added information on overburden depth.

(5) Topographic, bedrock surface, drill hole location, EM-16, etc, results for the property should be plotted on maps of the same scale and orientation to facilitate comparison.

(6) The pyrite mineralization observed is encouraging but relatively weak. The fine shiny black mineral present I could not identify in the field. It has the same black sheen and bright surface as bitumen may possess. I could not identify any conchoidal fracture however. The low geochem response in nearby percussion holes indicates this is probably not an ore mineral.

In general I feel that the model of a "rhyolite dome" should be critically reviewed as a result of this most recent drilling. I should note that I saw only the first 12 feet or so of the core from DDH 79-3 and only some portions of DDH 79-1. Comparison with the Equity deposit is justified because of the similar geological setting but I am not at all convinced that the Equity fits the Kuroko model.

A Xerox copy of page 185, Volcanism and Ore Genesis, Tatsuo Tatsumi is enclosed to indicate the horizontal scale of one of the Japanese deposits. This volume is in our office if you wish to borrow it.

Best regards,