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93L/16E

RED 1 MINERAL CLAIM  
A MASSIVE SULFIDE PROSPECT  
BABINE LAKE AREA  
BRITISH COLUMBIA

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## INTRODUCTION

This summary report deals with an attractive, readily accessible massive sulfide prospect located close to existing infrastructure.

The present claim covers two large, strong IP anomalies which have been only partially tested by previous diamond drilling. One of these anomalies is definitely due to the presence of massive sulfides.

## LOCATION AND ACCESS

The Red claim is five kilometres north of Granisle mine on the east side of Babine Lake. The centre of the claim is at latitude 54° 59' North and longitude 126° 07' West in NTS map-area 93L/16 E.

Access is by a system of new and old logging roads. Northwood operates a barge between Michell Bay and Nose Bay virtually year round. Arrangements can be made through the Houston office for transport of equipment and personnel.

The Red claim is 17 kilometres north of Nose Bay. Michell Bay, on the west shore of Babine Lake, is 41 kilometres north of Topley on Highway 16.

## MINERAL CLAIM

The Red is a modified grid claim comprising 20 units, staked by G. Auger and recorded May 28, 1984. Ownership is shared equally by G. Auger and N.C. Carter.

## HISTORY

The area of the present claim was staked in 1966 by Bethex (Bethlehem Copper) who undertook extensive IP and magnetometer surveys prior to drilling 9 holes totalling 3,178 feet in 1967. The exploration target was porphyry copper.

Canadian Superior restaked most of the same ground in 1972 and carried out IP, magnetometer and soil geochemical surveys.

## PHYSICAL SETTING

The Red claim is situated on a relatively gentle south slope. Elevations range from 2500 feet at the southwest corner of the claim to 3300 feet near the northern boundary. Part of the claim area has been logged.

Bedrock exposures are few and are confined to the northern part of the claim. Previous drilling indicates overburden depths of 60 to 70 feet in some parts of the claim.

## GEOLOGICAL SETTING

Limited outcrop and drilling data indicates the area is underlain by a sequence of intercalated dark, well bedded tuffs and argillaceous sedimentary rocks which strike northeast and dip moderately northwest. Some acid fragmental rocks have been noted in the area. This sequence is Lower Jurassic in age, and is the lowermost part of the Hazelton Group.

A diorite intrusive cuts the layered sequence near the north boundary of the claim and Tertiary amygdaloidal basalt remnants are known east of the claim.

## GEOCHEMISTRY

Soil geochemistry, particularly for base metals, is of limited value because of significant overburden depths.

Canadian Superior analyzed soil samples for mercury. A weak anomaly was detected within the southern IP anomaly, with values up to 320 ppb against a background of 75 ppb.

## GEOPHYSICS

An IP survey, carried out by Sumitomo on behalf of Bethex in 1966, indicated two strong anomalies, shown as IP "A" and "B" on Figure 2.

IP "A", as shown on a Metal Factor contour plan (Figure 3), trends northeasterly paralleling the strike of the rock sequence in this area. The anomaly is more than 3,000 feet long and 800 to 1300 feet wide. An IP profile on Line 24N shows apparent metal factor

values ranging from 30 to 820, frequency effect within the same interval from 2.9 to 7% and resistivity values of 9 to 61 ohm-feet.

IP "B" was found to be a stronger anomaly, trending east-west and measuring 2,000 by 1,200 feet. This anomaly was re-surveyed by Canadian Superior in 1972, with resultant values similar to those found by the original Bethex survey. An IP profile on line 56N shows metal factor values within the strongest part of the anomaly ranging from 80 to 7200, frequency effect in the 4.3 to 10.4% range and resistivity between 1 and 13 ohm-feet.

The eastern part of IP "A" has a coincident magnetic high with values of 500 to 750 gammas above background.

Airborne magnetic features east of the present claim are due to Tertiary basalt remnants.

#### MINERALIZATION

IP "A" was tested by three vertical diamond drill holes. Locations are shown on Figure 3.

All holes intersected interbedded tuffs and graphitic sediments, with sections of stringer and massive sulfides. Sulfide content varies from 20% to massive and occurs principally as pyrrhotite and pyrite, with some chalcopyrite noted. Some banding was noted and this appears to be conformable with host rocks at 30 degrees to core surfaces.

Two of the three holes in IP "A" intersected several sulfide sections as follows:

DH 1 - 100-103 (hole lost at 130)

DH 2 - 136-139  
256-262  
280  
308-312  
332-352  
396-403  
408-427  
445-453  
453-461 (stringers)  
471-474  
TD 502

DH 3 - 31-86  
104-116  
134-130 (stringers; banded sulfides @ 177)  
244-450 (some banded sulfides)  
TD 450

No assays from the original drilling are available. It is interesting to note that many of the sections of sulfides in holes 2 and 3 were not split.

The writer collected several samples for geochemical analysis. Results are as follows:

	Cu	Pb	Zn	Ag	Au (ppb)
DH 1 (103)	120	26	162	1.1	25
DH 2 (136)	30	25	26	1.6	15
(312)	40	29	69	1.2	5
(340)	52	16	48	0.6	5
(427)	33	14	56	0.6	5
(474)	26	25	20	1.0	15
DH 3 (86)	98	40	28	0.9	5
(115)	28	20	23	0.6	5

Best results from this limited sampling are in DH 1, which was lost at 130 feet. Copper and zinc values are definitely anomalous and there is a slight gold expression.

Assuming the host sequence is dipping northwest, this hole would appear to be in the upper, or hangingwall section of the mineralized zone.

IP "B" was tested by two holes. DH 4 was drilled southeast at -45 degrees to a depth of 377 feet and intersected interbedded argillaceous siltstone and greywacke with some graphitic sections. Minor pyrite was noted. DH 5, a vertical hole drilled to a depth of 263 feet, intersected diorite intrusive into the same sedimentary sequence as in DH 4. Disseminated and fracture filling pyrite and pyrrhotite were noted in the graphitic sections.

A one foot wide quartz-carbonate vein with galena, sphalerite and chalcopyrite is exposed in a creek a short distance north of the claim.

#### SUMMARY AND POTENTIAL

The Red claim covers an area of demonstrated massive sulfide potential. While limited sampling of the massive sulfide sections in available drill core yielded marginal results, it is evident that only small parts of the two strong IP anomalies have been tested.

All three drill holes in IP "A" intersected massive sulfides; two of the holes contain a number of sulfide sections over appreciable core lengths.

IP "B", a particularly strong anomaly, has not been adequately tested.

In summary, the Red claim is an attractive prospect in a well known mineral district with existing infrastructure.

#### PROPOSAL

The owners have incurred costs to date in excess of \$3,000. We propose an option agreement involving recovery of costs to date and a reasonable down payment, followed by escalating annual payments. A retained royalty interest in the property would involve advance payments in the event production is not realized within a specified time period.

We believe the acquisition of additional ground is necessary and propose a three mile perimeter clause be part of any agreement. Staking of additional claims is to involve the services of G. Auger at a cost of \$50 per unit. Auger would also like to have first refusal on any line cutting.

Additional information is available from the writer. Selected core specimens are available for viewing, and a property examination could be arranged. Much of the old core is in poor shape but is readily accessible.

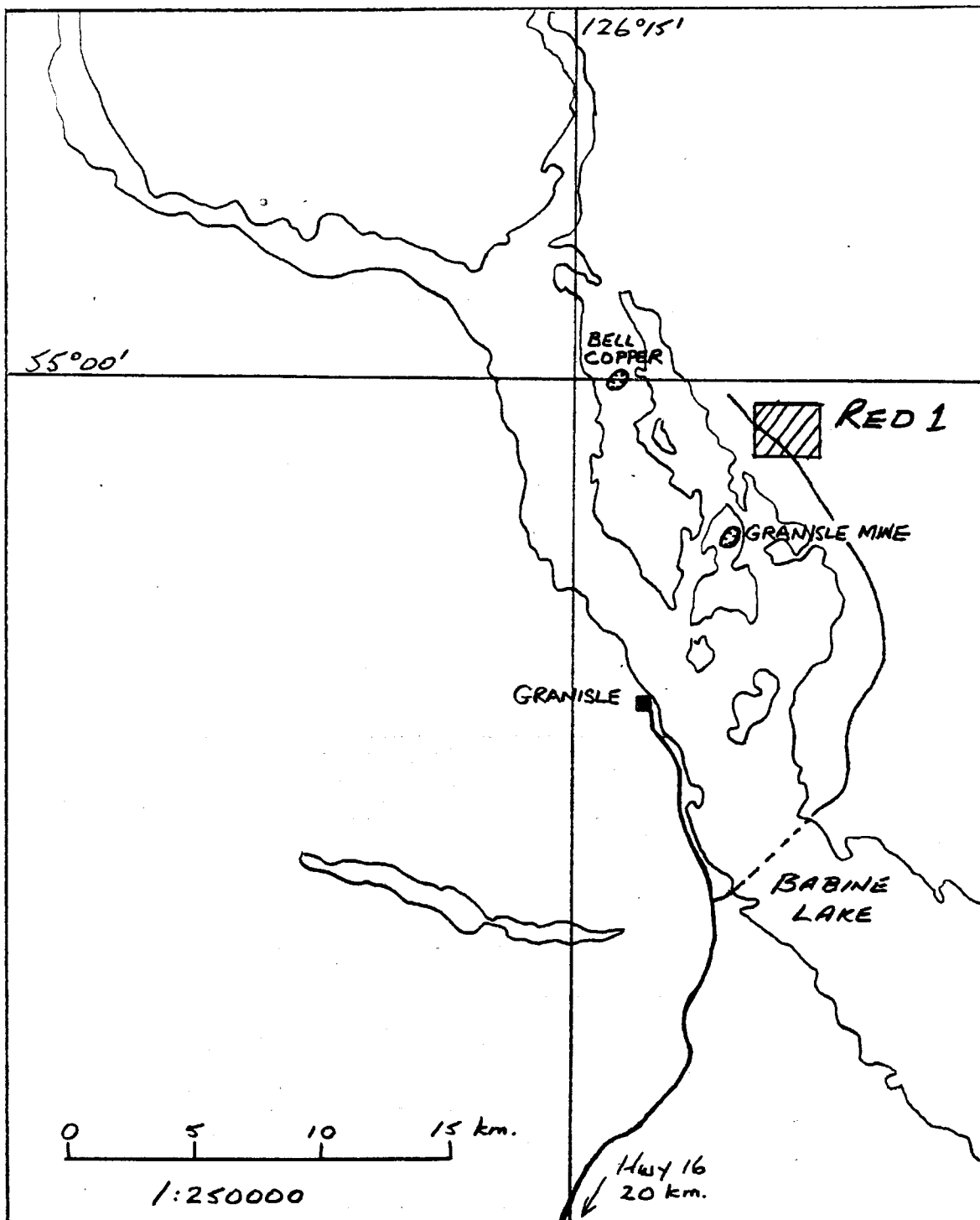


FIGURE 1 - LOCATION - RED 1 MINERAL CLAIM

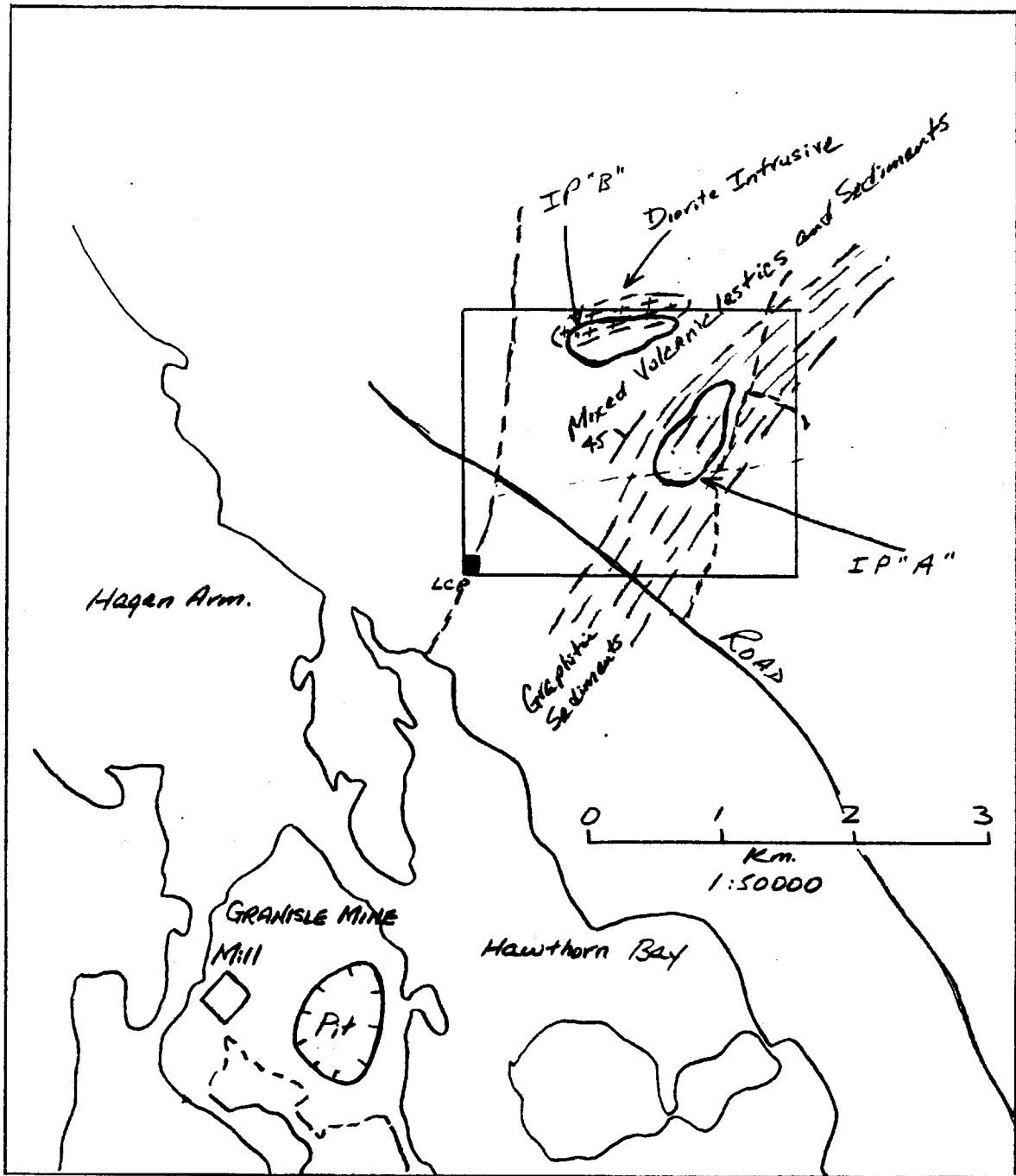


FIGURE 2 - RED 1 CLAIM - GEOLOGY, GEOPHYSICS.



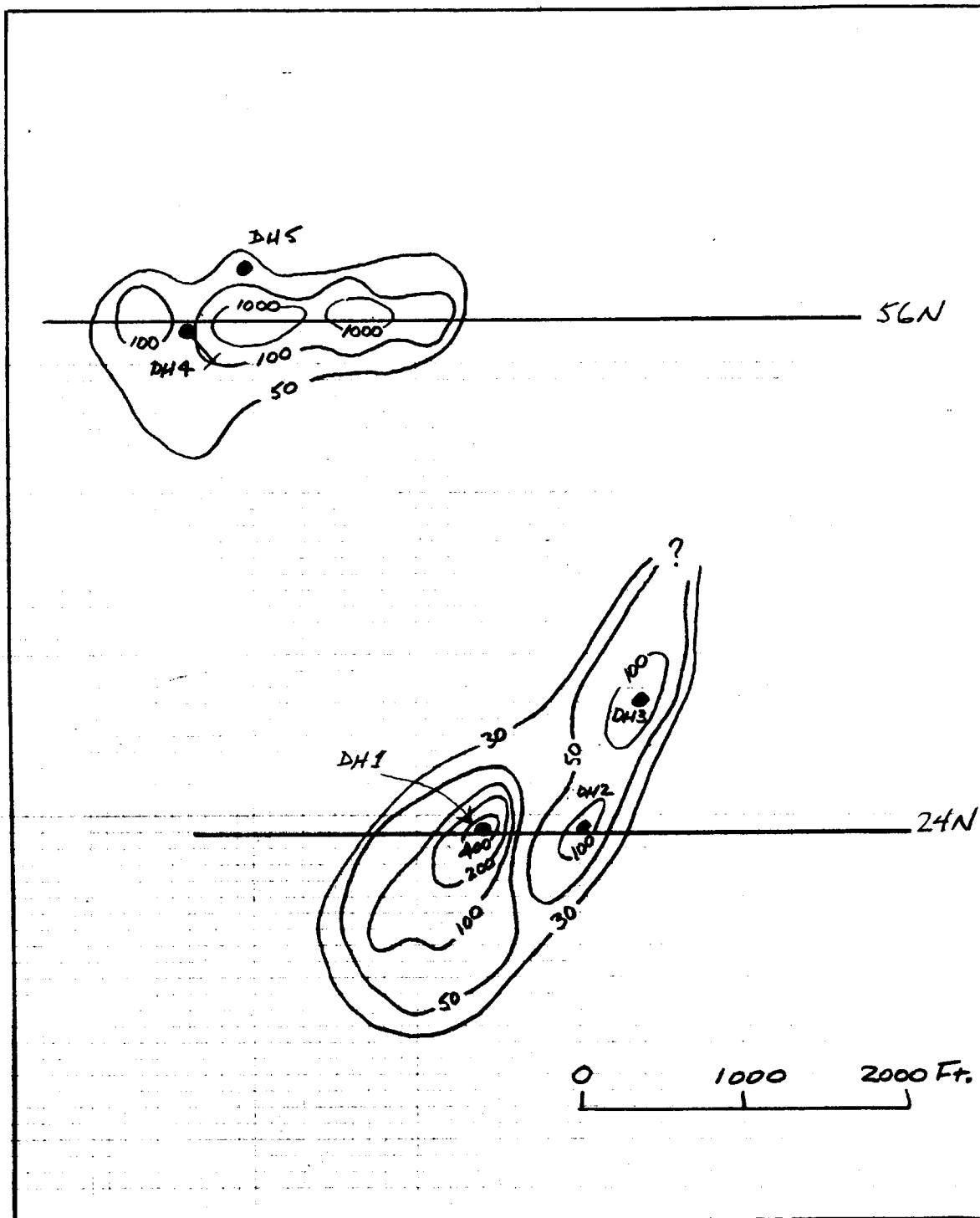


FIGURE 3 - METAL FACTOR CONTOUR PLAN  
DRILL HOLE LOCATIONS.