

82M/8/W

Esso 1981 report

Charlie Bend.

Sterling Por Mo : Cabin Ck

675448

### KUSKANAX JOINT VENTURE

This joint venture is shared 50 - 50 with Newmont Mines Limited in the Lardeau West Half Map Sheet (N.T.S. 82 K - W 1/2). The agreement terminates each year on March 1st unless extended by both companies before that date. Newmont is the operator.

In 1980 Newmont optioned the Sterling prospect, 57 kilometres north of Revelstoke and offered it as part of the joint venture. Esso accepted and Newmont explored the property in 1980 and 1981, then terminated the option in July 1981.

Elsewhere in 1981 Newmont investigated three geochemical anomalies on the Duncan River and another one on Haskins Creek, southeast of Trout Lake, without significant results.

### STERLING OPTION

#### Target

A porphyry molybdenum deposit.

#### History

First staked in the late 1880's: two open cuts and three short adits were driven on veins along Cabin Creek in the early 1900's for gold and silver, but also present were lead, zinc,

copper and molybdenum. In 1966 Scurry Rainbow drilled three holes, one of which contained 0.18%  $\text{MoS}_2$  over 10 metres. In 1971 Nisson Mining and Development (NPL) Ltd. did 2009 feet of drilling in five or six holes whose locations are unknown except that "visible encouraging intersections of molybdenite were encountered." Cajac Explorations Limited staked the property in 1979; Emerald Mines did some geology and geochemistry and then Cajac optioned the ground to Newmont. In 1980 Newmont carried out claims staking, geologic mapping; rock, soil and silt geochemistry, a magnetometer survey and some bulldozer trenching.

#### 1981 Programme and Results

An overburden drilling programme obtained 43 samples from 45 holes drilled to an average depth of 3 metres. One two sample anomaly of 32 - 41 ppm. Mo was detected south of Cabin Creek.

Seven shallow BQ and three deeper NQ holes were drilled, totalling 1427 metres. In two of the holes, 81-2 and 81-8, short high grade sections of molybdenite associated with galena, sphalerite and pyrite in quartz, sericite, feldspar, fuchsite veins were seen down dip from a surface showing along the new highway south of Galena Creek. Also, in 81-8, a body of barren metadiorite was entered at a depth of 200 metres. Three other holes, 81-1, 81-9, 81-10, failed to intersect down dip extensions of the above mineralization farther to the west.

A twice background magnetometer anomaly south of Cabin Creek above the new highway was tested by 81-7 and obtained crystalline magnetite in schists. The geochemical anomaly from the overburden drilling was drill tested by 81-6 and it cut a barren section suggesting that the anomaly is transported from higher up the hill.

Hole 81-3 cut weak mineralization down dip from the Cabin Creek adit area and hole 81-4 cut barren rock under deep overburden between mineralized outcrops. Hole 81-5 failed to intersect mineralization down dip from a molybdenite-galena vein on the new highway at the north end of the prospect.

The option was terminated in July, 1981.

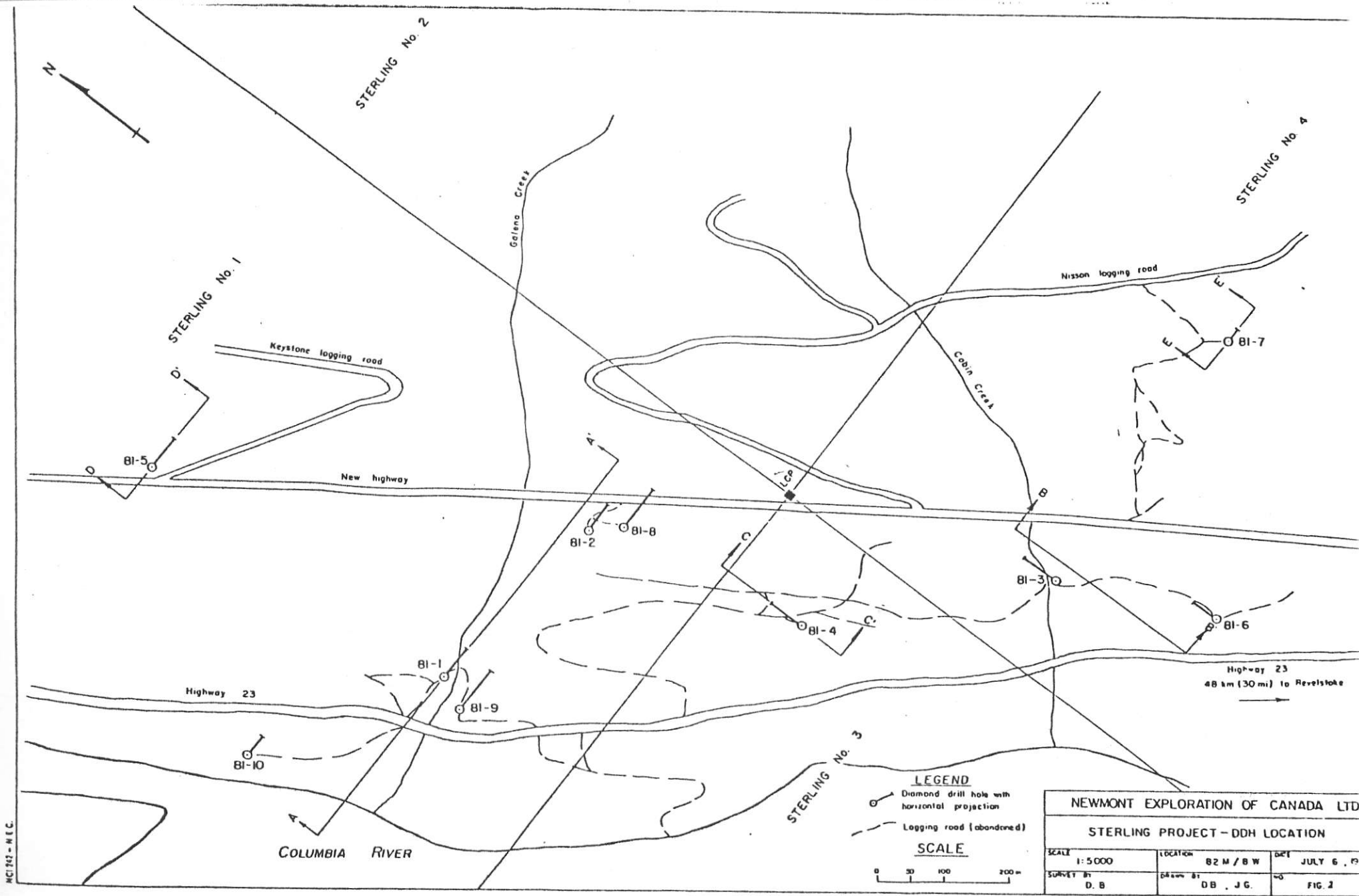
<u>Sterling Expenditures</u>	1981	\$90,000; to date	\$118,000
(Esso's share)			

<u>Kuskanax Expenditures</u>	1981	\$ 2,000; to date	\$116,000
(Esso's Share)			

#### Recommendations

Due to the poor outlook for molybdenum and the lack of success, the joint venture should not be renewed in 1982. Esso could then explore on its own if desired.





NEWMONT EXPLORATION OF CANADA LTD.		
STERLING PROJECT - DDH LOCATION		
SCALE	LOCATION	DATE
1:5000	B2M/BW	JULY 6, 1955
SURVEY BY	DRAWN BY	NO.
D. B.	D.B., J.G.	FIG. 2

MCI 742 - N.E.C.