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SUMMARY

Previous exploration on the Silence Lake tungsten mine has outlined approximately 35,000 short tons of tungsten ore reserves at 1.6% WO_3 content. These reserves are ~~amenable~~ ammenable to open ~~pit~~ cast mining techniques.

The tungsten mineralization is found to be concentrated predominately within a siliceous garnet skarn that has developed in an area proximal to a granitic re-entrant and near the roof of an underlying granitic intrusion. ~~Calcareous lithologies Rocks found on the prop~~ Metasedimentary rocks found on the property have undergone regional dynamothermal metamorphism, ~~to~~ contact ~~Metamor~~ metamorphism and contact metasomatism. The calcareous lithologies have been altered to a variety of skarn assemblages due to contact metasomatic effects. A metasomatic zonation ~~of~~ in a vertical sense can be recognized. This zoning results in the most calcic mineral being consumed and the calc-silicate minerals remaining in the replacing skarn are more abundant and richer in total iron content, and Silica is more abundant in the lower portions of the ~~more higher~~ developed skarn zones. ~~(i.e. in proximity to the granitic floor).~~

Two areas are recognized that warrant an exploration diamond drill program. Both of these areas lie to the southwest of the present orebody. These areas could be best tested by means of an underground drill program. The cost of the exploration program would be ~~in the~~ approximately $50,000 if $300 / horizontal foot drifting costs are expected. The areas to be tested could harbour up to five times the present volume of reserves found in the orebody presently being mined.

TARGET AREAS

Two target zones have been determined for further exploration. These two zones have been indicated on Plate 1 and lie to the southwest of the present ore-body. The most southerly zone is expressed by the results found in drill holes UC 8; UC 4 and UC 6 . In general, it is found that in the present orebody the mineralization extends up from the granitic floor for a vertical distance of approximately 75 feet. As seen in Plate 2, DDH UC 4 would have passed over any mineralized zone. At the same time, DDH UC 4 crosscut a significant width of siliceous garnet skarn lithologies, as well as wollastonite skarn. In comparison to DDH UC 8 which consists of altered contact metamorphic horfels lithologies, there is a significant facies change in a vertical sense between UC 4 and UC 8. In addition to a vertical facies change there is an apparant horizontal facies change which can be seen on Plate 1.. There appears to have been an area of silica introduction in the area of UC 4 which has resulted in a wider zone of skarn lithologies than what exists to the northeast of DDH UC 4. Indications from the data available suggests that a similar geological setting as that in which the present orebody is found, lies within the vicinity of DDH UC 4. It is proposed that this area warrants further exploration.

The area between DDH UC 9 and UC 10, displays somewhat similar characteristics as the area in which the present orebody is found. As seen in Plate 3, significant widths of wollastonite skarn, along with lesser amounts of siliceous garnet skarn were cut in DDH UC 9. These skarn lithologies are in turn cut by quartz segregations and veins. This situation is similar to the area defined by UC 2 as located on Plate 1 and depicted on Plate 4. The Upper portion of the orebody narrows down in the vicinity of DDH UC 2, and consists of siliceous garnet skarn that is cut by quartz segregations .

It is probable that the area in the vicinity of DDH UC 9 and UC 10 represents an area of silica introduction which may have accompanied the may have been associated with the deposition of tungsten at depths closer to the granitic floor. The lack of data to the southwest of this area, makes any reliable interpretation. Interpretation of the intrusive geometry in this region is hindered by the lack of data. This area warrants further exploration but is second in priority to the area around DDH UC 4.

PROPOSED EXPLORATION PROGRAM

It is proposed that the two target zones be tested by diamond drilling. The most effective manner in which to test these zones would be by near horizontal holes drilled from an underground drill station located near the end of the Upper Orebody. At present diamond drill costs, To effectively test these two zones approximately 1200 feet of diamond drilling would be recquired, if done from an underground diamond drill station. In order to set up this underground drill station, a drift must be established at the 3700 foot elevation in the Upper Orebody and continue from the pit to the southwest for a distance of approximately 100 feet. If this drift can be established then both underground reserves that for the Upper Orebody can be established and later removed. A benefit of an underground drift would be to fascilitate access to any reserves that may be delineated from the exploration program.

If it is not possible to develop an underground drift in the Upper Orebody it would then be necessary to explore the two target zones from surface. This would require approximately 1600 feet of diamond drilling (BQ core) for year 381 and construction of access roads to drill sites.

As A general summary of costs of the two programs, two manners in which to carry out the exploration program is given

REGIONAL GEOLOGY AND STRUCTURE

The Gotcha and Gotcha 2 claims are located in an area in which metasedimentary rocks of the Shuswap Metamorphic Complex have been intruded by a variety of granitic dykes, stocks and sills. The metasedimentary assemblage ~~in the area~~ consists of quartz-mica schist, garnet-mica schist, marble, muscovite-chlorite (biotite) schist, amphibolite, quartzite and metasedimentary gneisses. These rocks have undergone polyphase deformation and ~~regional~~ the metamorphic assemblage belongs to the upper amphibolite or hornblende hornfels facies.

~~The~~ The principal deformation and metamorphism of the Complex occurred in a time interval between Upper Triassic and Upper Jurassic. ~~There is~~ A general north to northwesterly trend of major and minor structures, including fold axes, lineations and compositional layering ~~within the~~ ~~found~~ exists ~~seen~~ in the metasedimentary rocks in ~~the Maxwell Creek area.~~ the northern portion of the Maxwell Creek area. A change ~~to~~ to a ~~now~~ predominately northeasterly trend of major and minor structures is found on the Gotcha Claim group. Large scale anticlinoria and synclinoria as well as smaller scale isoclinal folds and angular folds ~~have been~~ are recognized structural features of the Shuswap Metamorphic Complex and it is evident that such folding can be found within the Maxwell Creek area. ~~expected to be~~

The metasedimentary rocks have a sequence that is lithologically similar to the Lower Cambrian Hamill quartzite - Badshot limestone succession and are tentatively assigned ~~to~~ as correlatives of these formations.

Granitic rocks that intruded the rocks of the Shuswap Metamorphic Complex include medium-grained biotite granodiorite, alaskite,

quartz monzonite; quartz diorite and biotite granodiorite. Pegmatites represent a late stage intrusive event and intrude all other granitic rocks. These intrusives have been assigned an Upper Cretaceous age and a K/Ar age date from an alaskite located in the upper Skarn Band yielded an age of 64 m.y (accuracy 3%) placing the time of intrusion on the Gotcha claims as Lower Tertiary. The emplacement of the intrusives within the metasedimentary rocks has resulted in the formation of contact metamorphic aureoles that contain large masses of tactite. It is within portions of these tactite skarn zones that scheelite mineralization is found.

~~Post-mineralization-faulting-is-evident~~

Faulting post-dates skarn and intrusive formation and these faults trend northeast and northwest and may be accompanied by strongly developed gouge zones.

A general summary of the geological events that occurred within the Maxwell Creek area are as follows:

(1) Lower Cambrian (?)

Deposition of a series of interbedded quartzites, limestones, and pelites.

(2) Upper Triassic to Upper Jurassic

Polyphase deformation and amphibolite grade metamorphism of the sedimentary succession. the formation of an

(3) Upper Cretaceous and Lower Tertiary

Intrusion of a variety of intermediate to acid intrusive rocks.

(4) Lower Tertiary

The formation of tactite skarn bodies within calcareous beds of the sedimentary succession.

(8) Post Lower Tertiary

Disruption of the lithologies by northeasterly and northwesterly low to high angle faulting.

Geology of the Gotcha Claim

The work carried out on the Gotcha property since 1972 has established a series of northeasterly trending areas of metasedimentary rocks that occur as pendants of generally west to northwesterly dips. The area in which these pendants are found has been traced for approximately 400 meters (1200 feet) to the southwest of Maxwell Creek and this area is approximately 200 meters (600 feet). At the southwesterly portion of this area the metasedimentary rocks are bounded on both sides by granitic rocks. The pendants lie within and are separated by intrusive rocks and are cut by numerous sills. Contact metamorphism has occurred along this northeasterly trend and a variety of contact metamorphic mineral assemblages have been produced. The calcareous rocks show stages of development from original marble to a coarsely crystalline quartz-garnet-epidote - vesuvianite rock.

Of the variety of skarn assemblages that occur on the property three important assemblages predominate.

(1) Massive garnet-quartz-epidote-vesuvianite skarn

This skarn type consists of coarsely crystalline garnet, quartz and vesuvianite with varying amounts of accompanying epidote, sphene and apatite. This assemblage exhibits observable thicknesses of up to 15 feet. and This skarn type is widespread on the property as evidenced in both outcrop and diamond drill holes.

(2) Diopside - clinozoisite - tremolite quartz skarn

This skarn type is generally fine grained and can display a banded texture. It appears that this skarn type attains a continuity of composition and can be correlated in outcrop exposures and between diamond drill holes.

(3) Wollastonite-garnet-calcite skarn

This skarn type is medium to coarse grained and appears to have a variable distribution throughout the property. The presence of wollastonite indicates formation at low pressure (1 to 2 kilobars) and high temperatures (500 to 700 degrees Centigrade) with the availability of SiO_2. Wollastonite-garnet-calcite skarn is found to occur along the northeasterly edge of the area of the Lower Band metasedimentary rocks.

All three skarn types form a tactite zone that

Scheelite Mineralization

The tactite zones that have been delineated on the property are commonly composed of varying propertions of the three skarn assemblages described. The tactite has a widespread horizontal and vertical distribution as seen in both surface outcrop and diamond drill hole intercepts.

Within these tactite zones varying amounts of scheelite mineralization can be observed. Skarn types (1) and (2) host the most significant concentrations of scheelite while skarn type (3) has not been found to contain any appreciable amounts of scheelite. Skarn type (1) hosts pervasive late-stage silicification that is accompanied by coarse grained scheelite. Quartz segregations frequently are noted to occur as irregular veinlike masses within and bordering the skarn. The quartz bodies yield no scheelite but near by in other parts of the same zone scheelite may be concentrated. In areas of skarn type (1), it has been noted that the most abundant concentrations of scheelite are frequently found where quartz is abundant. The garnet - quartz - scheelite association of skarn type (1) appears to be the most productive and widespread skarn assemblage, however, the diopside - epidote - quartz - scheelite association of skarn type (2) contains unusually high grade concentrations of scheelite as noted in the area of the Lower Band.

Within the tungsten-bearing zones of tactite there are areas in which no scheelite occurs, and the ~~capricious~~ nature of the distribution of zones in which scheelite deposition occurred must be appreciated in the evaluation of ~~a~~ the tactite zones.

In general it appears that the formation of the various skarn assemblages found on the Gotcha Claim has been ~~a~~ in progressive ~~affair~~ stages. At an advanced stage of contact metamorphism skarn types (1), (2) and (3) have been formed. The wollastonite stage of skarn formation has not been accompanied by tungsten deposition of any importance. The formation of the silicates of the garnet and epidote group when accompanied by abundant excess quartz represent a stage at which scheelite mineralization may be expected to form in greater abundance.

FORM OF SCHEELITE ZONES — Superseded by more recent reports.

The results from part of exploration and development work have outlined two scheelite bearing zones that have been denoted as the Upper Band and Lower Band ~~respectively~~. ~~These~~ The scheelite mineralization is found to dilate and ~~cents~~ constrict within the skarn assemblages to form irregular lensoid masses. The shapes of these mineralized zones ~~have been~~ are particularly well illustrated in the reports by Mr. J.P. Elwell (Appendix D, Estimated Tonnage for the Lower Band) and Mr. D. Cook (Appendix A, Estimated Tonnage for the Upper Band, p. 9.). Determining the actual dimensions for the mineralized zones has been done on a basis of grade ~~and what constitutes~~ a mineable width, and the degree of confidence that can be assigned to the width given at any particular point. It ~~will be~~ should be ~~can be~~ noted that in the evaluation by United Mineral Services Ltd. (Appendix B, Figure 3B) that an extimated tonnage of 3000 tons with a grade of 1% WO_3 was

calculated. The tonnage estimate for the Upper Band was calculated for two sections - a frontal block of 2000 tons and a rear block of 1000 tons. After stripping off the overburden covered area it was found that the surface topography was more pronounced than that depicted in the original estimate. This can be seen in the fact that from the 3692' elevation, the rear of the frontal block extends up for a distance of approximately 75 feet and is mineralized over a width of 20 feet. The grade of the slope is not as pronounced as originally depicted and the estimated tonnage given originally as 2000 tons can reasonably be justified as being in the neighbourhood of 5000 tons. As previously mentioned the grade of the material tested was approximately 2% before dilution. ~~It was found that~~

The rear portion of the tonnage estimate for the Upper Band has been shown to restrict and pinch down to a width of approximately 2 feet, however, scheelite mineralization has been noted over a length of 14 feet (Appendix H - Diamond Drill Logs - D.D.H. 2; ~~Appendix H~~).

From the exploration and development work done up to ~~present~~ date it has been shown that the scheelite bearing skarn zones have lensoidal geometry within larger zones of skarn assemblage minerals. The boundary zone to the limit of scheelite mineralization may be abrupt as in the case with the Lower Band or may be diffuse as in the case of the Upper Band.

POSSIBILITIES FOR ORE CONTINUATION

Tonnage calculations for the Upper Band have been made using the 3692 foot elevation as a cut-off. It is obvious from the results obtained from the percussion hole drilling performed in January 1978 that this is an ~~arbri~~ arbitrary level and that scheelite mineralization is known to extend down at least to the

3676 foot level in the Lower Band. Extensions of the Lower Band are expected to be found to the northeast of the limit of percussion hole drilling and also at depth.

Extensions of both the Upper and Lower Band to the southwest are by no means eliminated and the possibilities of finding additional scheelite bearing skarn zones are good. This possibility has been ~~illucidated~~ shown by the discovery of an additional scheelite bearing skarn zone found during the development work carried out during the 1978 field season. This zone is approximately 50 feet to the southeast of the Lower Band and is approximately 3 feet wide and contains greater than 2% WO_3 (visual estimate).

~~The~~ Diamond drilling ~~that has been~~ performed by Union Carbide has indicated appreciable thicknesses of skarn assemblage minerals that are host to the scheelite mineralization in the Upper and Lower Bands. A more definitive ~~working~~ geological model will help delineate those areas in the southwestern portion of the property where additional zones of scheelite mineralization can be expected to occur.

PROPOSED EXPLORATION PROGRAM

A program involving ~~the~~ detailed geological mapping and surveying, taking into account the structural features that are evident on the property, should be undertaken. The area involved in this mapping program ~~will~~ would focus on the geology between Diamond Drill Holes 9,10,11, in the southwest, 4 and 8 in the southern portion and 2,7, 5 ~~and~~ 3 and 1 in the northern portion of the area. Upon completion of the mapping program and a revised structural interpretation of

the geology, a drilling program should be undertaken. ~~This~~ The drill program would be designed to more fully delineate the scheelite mineralization in the Upper and Lower Bands and ~~Also this drilling program should~~ test the geological possibilities that exist for the occurrence of additional zones of scheelite mineralization that may occur in the southwestern portion of the property. This recommended program is envisioned to entail approximately 4000 feet of diamond drilling ~~and~~ (approximately one month of geological field work followed by).

In addition ~~It appears that~~ previous soil sampling has been able to locate areas of scheelite mineralization and it is suggested that a more widespread soil sampling program may ~~will~~ be useful in delineating areas of scheelite mineralization that are ~~overbured~~ overburden covered. ~~It appears that~~ Such a program would likely entail ~~sampling on a~~ close spaced sampling. ~~and also~~ An initial survey over the known mineralized zones at different sample intervals would determine the optimum soil sample interval required. ~~Also~~ Care would have to be taken in determining the type of soil sampled in order to interpretate the results of such a survey.

~~A preliminary feasibility study using the results of the work that has been done up to present should be undertaken in order to determine the most economical approach to that should be undertaken to develop the property into an economic commercial production. Such a study should taken into account the optimum size of mill; whether it should be portable or fixed; site location; method of disposal of tailings; mining methods and government regulations that would have to be met and the time required to start begin production.~~

A feasibility study should follow drilling to determine the most profitable approach to be taken to place the gotcha property into commercial production.