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REPORT ON THE
BELL - ARAB CLAIMS

Burrell Creek Area
Greenwood Mining Division
NTS 82E/9W

Latitude: 49°32'N
Longitude: 118°23'W

for

BELCARRA EXPLORATIONS LTD. (N.P.L.)

by:

G. C. Gutrath, B.Sc., P.Eng., Geologist
ATLED EXPLORATION MANAGEMENT LTD.
Vancouver, B.C.

March, 1976.

BELCARRA EXPLORATIONS LTD. (N.P.L.)

VANCOUVER, B. C.

NOTES TO FINANCIAL STATEMENTS

MAY 31, 1976

NOTE 1: INVESTMENTS

The company holds the following investments as at May 31, 1976:

	<u>Cost</u>	<u>Market Value May 31, 1976</u>
Dorchester Resources Ltd. 2,500 common shares	\$ 431.96	\$ 200.00

NOTE 2: DEPRECIATION

Commencing in 1975 depreciation is recorded at 30% of original cost, on a reducing balance basis.

NOTE 3: MINERAL CLAIMS

Under an agreement dated February 3, 1966 certain mineral claims were acquired by the issuance of 750,000 fully paid shares at a stated value of 25¢ per share, of which 290,000 shares have been gifted back to the company.

NOTE 4: DEFERRED COSTS

The amounts shown for mining properties and exploration, development and administration costs represent costs to date and are not intended to reflect present or future values.

NOTE 5: SHARE CAPITAL

The issued share capital as at May 31, 1976 is as follows:

	<u>For Mineral Claims</u>	<u>For Cash</u>	<u>For Services</u>	<u>Total</u>	<u>\$</u>
Issued to May 31, 1976	750,000	1,109,150	18,000	1,877,150	529,243.75
Gifted back to the company	<u>290,000</u>	<u>-</u>	<u>-</u>	<u>290,000</u>	<u>-</u>
	<u>460,000</u>	<u>1,109,150</u>	<u>18,000</u>	<u>1,587,150</u>	<u>\$ 529,243.75</u>

322,000 shares are required to be held in escrow.

NOTE 6: CAPITAL DEFICIT

The company has incurred a capital loss on the sale of a portion of its investments. The loss has been charged to the capital deficit account.

Capital deficit, May 31, 1975	\$ 157.14
Capital loss current year	<u>2,220.04</u>
	<u>\$ 2,377.18</u>

TABLE OF CONTENTS

Introduction..... 1

Summary..... 2

Conclusion..... 4

Recommendations..... 5

Estimated Costs..... 6

Geography..... 7

Claims..... 8

History..... 9

Geology..... 11

 General..... 11

 Bell-Arab Claim Group..... 14

Engineer Certificate

References

BELL CLAIM GROUPS

Burrell Creek Area
Greenwood Mining Division

INTRODUCTION

The properties were examined between October 24 and October 26, 1975 and the general area of Burrell Creek and the Franklin Mining Camp was examined between November 9 and November 17, 1975.

A number of geological traverses were completed on the Bell Groups and a cursory examination was made of a batholithic copper-molybdenum type occurrence on the Alco Claim Group that adjoins the Bell Groups to the north and east.

This report is written at the request of Mr. M. Rahal, President of Belcarra Explorations Ltd. (N.P.L.).

SUMMARY

The Bell-Arab claim group consists of 32 contiguous units and the Bell 2 claim consists of 4 units. The claims are located in the general area of the Franklin Mining Camp on Burrell Creek 35 airmiles north of Grand Forks, B.C.

The Bell-Arab claims are situated in the southern portion of the Franklin Mining Camp that was first explored in the late 1800s and early 1900s. Numerous copper showings were initially located but it was not until 1912 that a very high grade gold occurrence was discovered. Between 1911 and 1929 gold, silver, copper, lead and zinc ores were selectively mined for direct shipment and from 1928 to 1933 the Hecla Mining Company operated a mill in the area.

The Burrell Creek-Franklin Camp area is underlain by granodiorite of the Nelson batholith that has been cut by younger intrusives of varying acidic composition. Within this intrusive complex is a large remnant, approximately 16 square miles in area, that is composed of greenstone, limestone and related sediments of Permian age. These older rocks have been cut by volcanic necks and dikes related to Cenozoic age vulcanism.

The mineral occurrences mined during the early 1900s were all within the large metasedimentary-volcanic remnant. Copper-molybdenum mineralization was discovered as early as 1907 in the granodiorite peripheral to the remnant but the occurrence received very little attention. It was not until a logging road was cut through the copper-molybdenum mineralized outcrop area in 1975 that the extent of the mineralization was recognised.

In effect, this was a new discovery and in September, 1975, the first Alco claim was staked by John Nedokus of Grand Forks, B.C. who

subsequently optioned the property to Rio Tinto Canadian Explorations Ltd.

On the Alco claims the copper-molybdenum mineralization occur as fracture coatings and veinlets in highly shattered granodiorite of the Nelson batholith. Deep weathering and intensive leaching of the surface outcrops has left little or no evidence of the underlying mineralization that was originally thought to be erratic and directly related to narrow shear zones. However, it was found on examining the fresh rock cuts that the mineralization is wide spread and can be traced in outcrop along the road for approximately 1800 feet.

The intense fracturing which is very important in the concentration of the mineralization has undoubtedly resulted from a number of factors, the most important being the areas close proximity to the resistant remnant to the north and from the movement along a major northeasterly trending regional fault zone that forms the contact between the intrusive and older paragneisses to the east.

This type of copper-molybdenite occurrence has recently been described as a "Batholithic Ore Deposit" in a report by Dr. E.S. Cheney of the University of Washington. He refers to the Quartz Creek and Middle Fork deposits in the Snoqualmie batholith of Washington, the Pre-Main Stage mineralization at Butte, Montana and the Brenda deposit in British Columbia as being typical of this type of deposit.

The Bell-Arab claim group adjoins the Alco group on the south and west and is underlain by basically the same geology as the Alco claims. The major northeasterly trending fault cuts the Bell 3 claim and to the west of the fault the Bell and Arab claims are underlain by Nelson batholith granodiorite. To the north the granodiorite is in contact with the metasediment-volcanic remnant. Previous work in the area has located copper-molybdenum mineralization in shear-fracture zones within the granodiorite on the west side of Burrel Creek indicating that the mineralization may extend to the west into the Bell-Arab claims.

CONCLUSION

The Bell-Arab claim group is underlain by a similar geological environment to that which hosts widespread copper-molybdenite mineralization on the adjoining Rio Tinto-Alco claim group.

The Alco occurrences, although first located in 1907, can probably be described as one of the most significant new copper-molybdenum porphyry type discoveries in British Columbia over the past few years. The extent of the mineralization and its relation to the geological setting could not be observed until the new road had been cut through the out crop area allowing the important geological characteristics of the deposit to be recognized.

It is concluded that the Bell-Arab claim group warrants a surface program in order to outline exploration targets for more detailed investigation.

RECOMMENDATIONS

The following exploration program is recommended:

Phase I

1. Detailed outcrop geology on a scale of 1 inch equals 200 feet with special attention being given to the recording of fracture densities.
2. Rock chip sampling using airphotographs and existing topographic maps for control.
3. Bulldozer trenching

Phase II

(Contingent on results of Phase I)

1. Induced polarization survey to define drill targets.
2. Diamond drilling to evaluate geology and determine grade.

ESTIMATED COSTSPhase I

1. Geological mapping, rock chip sampling
supervision and reports.....\$ 3,500

2. Analyses

1. Rock chip samples
-200 samples for copper and
molybdenum.....\$ 700
-assays..... 200..... 900

3. Trenching..... 2,000

6,400

Overhead and contingencies @ 10%..... 640

\$ 7,040

Phase II

Contingent on results of Phase I

1. Induced Polarization Survey and line cutting
Estimated 5 line miles at \$700/mile.....\$ 3,500

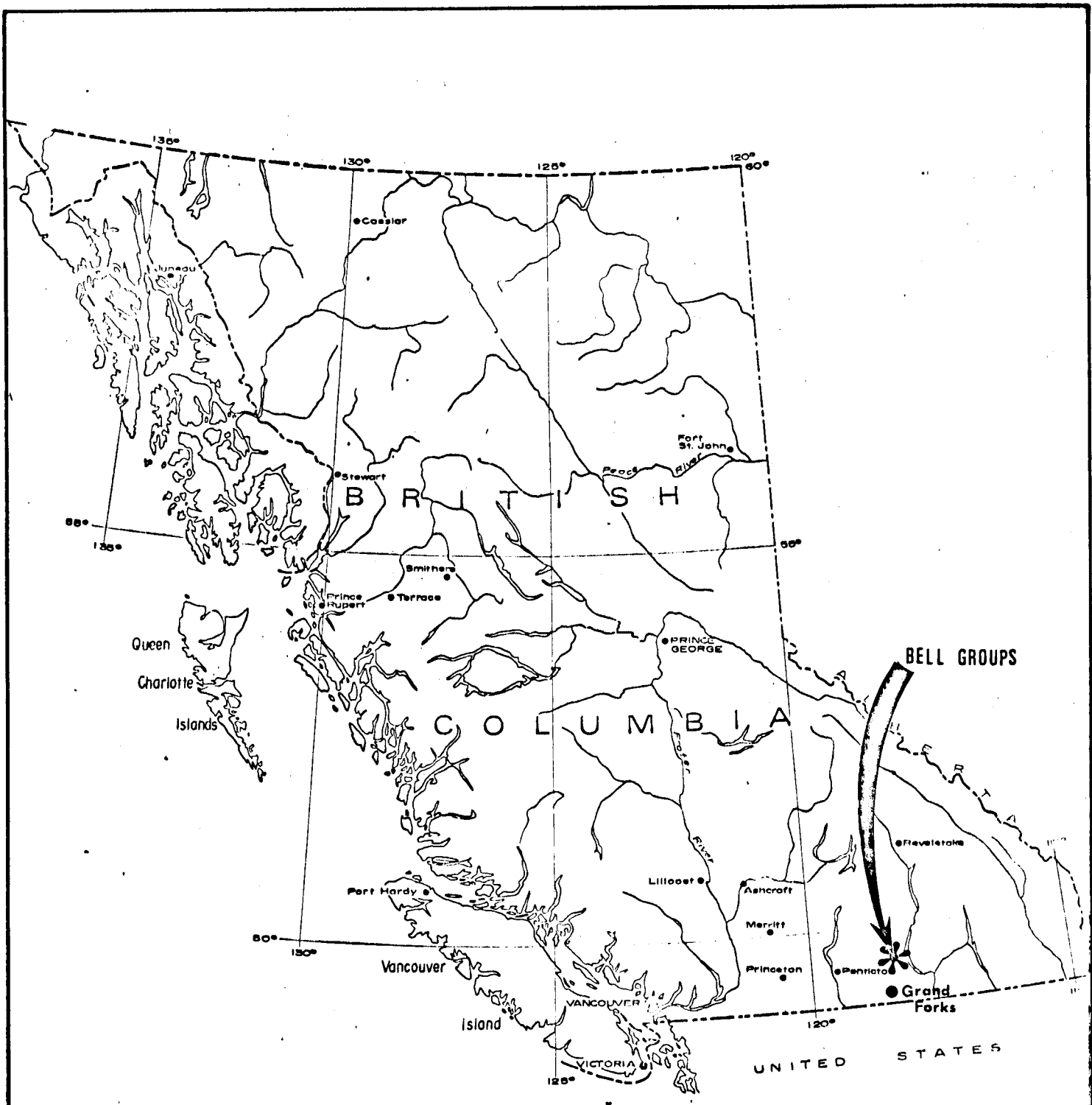
2. Diamond Drilling
Estimated 1,000 feet @ \$20/foot..... 20,000

23,500

Overhead and contingencies @ 10% 2,350

\$ 25,850





LOCATION MAP
Belcarra Explorations Ltd.
BELL GROUPS

GEOGRAPHYLocation

The Bell-Arab claim groups are located in the Burrell Creek valley approximately 35 miles north of Grand Forks. The Franklin camp lies approximately 2 miles to the north of the largest of the two claim blocks. The small claim group of 4 claims borders the Franklin camp on the east.

The approximate co-ordinates of the largest claim group is 49°30'N and 118°23'W and of the smaller group is 49°33'N and 118°21'W.

Access

Access to the property from Grand Forks is by 10 miles of paved road and 30 of gravel road. The last 10 miles of the original road to the Franklin camp follows the west side of Burrell Creek, but during 1975 a new logging-access road was built along the east side of the creek.

Topography

The southern Bell-Arab claim group of 32 units covers both sides of the Burrell Creek valley from an elevation of 2,600 feet to 3,800 feet.

The northern Bell 2 claim covers the lower part of the west side of the Burrell Creek valley between the elevation of 2,800 feet and 3,100 feet.

Vegetation

The west side of the Burrell Creek valley is lightly timbered with fir, pine, birch and some poplar. The east side of the valley in the vicinity of the Bell 1 and 3 groups is an old "burn" and the thick second growth of fir, hemlock, cedar and hemlock is interwoven with numerous "wind falls".

Climate

The average rainfall is in the range of 30 inches and winter compacted snowfall would vary from 3 to 6 feet. The area would be free of snow from May to October.

Water

There is ample water on the property for diamond drill requirements.

CLAIMS

There are five claim groups totalling 36 units. The Bell 1 and 3 and Arab 1 and 2 claims are contiguous and total 32 units. The Bell 2 claim is made up of 4 units.

<u>NAME</u>	<u>UNITS</u>	<u>RECORD NUMBERS</u>	<u>EXPIRY DATE</u>
Bell #1	6	165	November 21, 1976
Bell #2	4	166	November 21, 1976
Bell #3	12	167	November 21, 1976
Arab #1	10	229	February 20, 1977
Arab #2	4	230	February 20, 1977
	—		
	36		

HISTORY

The first claims were staked in the Franklin Mining camp in 1896. Between 1906 and 1911 the camp was actively developed by a number of companies and individuals. During this period hundreds of feet of underground work accompanied by surface trenching and stripping was completed.

Between 1911 and 1929 a number of the properties made shipments of gold, silver, copper, lead and zinc ore to various smelters in the area. The Hecla Mining Company operated a floatation mill on the Union property between 1928 and 1933. After this period production from the camp has been limited to small high grade ore shipments.

During the 1960's and up to the present time the camp has received considerable attention by various mining companies because of its geological similarity to the Phoenix Mine camp at Greenwood. The majority of these programs were limited to surface exploration and limited amounts of diamond drilling.

During 1975 an excellent logging access road was constructed along the east side of Burrell Creek opposite the Franklin camp. Although copper and molybdenum mineralization had been reported on this side of the creek prior to 1911 it had received very little detailed exploration over the years. However, with the construction of the new road numerous

rock-cuts were made through the outcrop areas exposing a great deal more copper and molybdenum mineralization than could be readily observed on the weathered surface of the outcrops.

As a result of the discovery the mineralization in the road cuts, the area was staked in September, 1975 as the Alco Claim Group by Mr. John Nedokus of Grand Forks, B.C. who subsequently optioned the property to Rio Tinto Canadian Explorations Ltd. Since that time numerous individuals and companies have staked additional ground to the north and south of the discovery claim group.

GEOLOGYGeneral

The Burrell Creek-Franklin camp area is underlain by the Nelson batholith of Mesozoic age. Intruding this older batholith are the Valhalla and Coryell intrusions. The Nelson and Valhalla intrusion are primarily granodiorite in composition and the Coryell is of monzonite to syenite composition with pyroxene rich phases.

In the Franklin Creek area there are two large remnants of older rocks within the batholith. In the south east corner of the area there is a remnant of the Monashee Group paragneiss that is believed to be early Paleozoic in age.

The central portion of the Franklin camp is a large remnant approximately 16 square miles in area that is composed of Anarchist group greenstones, limestone and other related sediments of Permian age. These older rocks have been cut by dikes and volcanic necks related to Cenozoic age volcanics. This volcanic activity produced rhyolite and dacite flows intercalated with tuffs, arkosic grits and conglomerate beds. These younger volcanics and related sediments form an irregular band along Burrell Creek on the lower east slopes of Mount McKinley and Mount Franklin.

The Franklin Mining Camp is a highly mineralized area with complex mineralogy and with different modes of occurrences: -

1. Contact Metamorphic

Pyrite, chalcopyrite, galena, sphalerite and magnetite
in skarn zones.

2. Fissure Veins

Sphalerite, galena, chalcopyrite, pyrite in quartz gangue and often with high gold values. (This type of occurrence was the most extensively mined in the camp).

3. Segregation Type

Chalcopyrite, pyrite and minor bornite disseminated in shonkinite-pyroxenite.

4. Shear - Fracture Zones in Granodiorite

Chalcopyrite, molybdenite and pyrite along cleavage and fractures planes in granodiorite.

The Shear-Fracture zone type of occurrence in the granodiorite was reported on by C. W. Drysdale in G.S.C. Memoir 56 published in 1915. The particular occurrence described by Drysdale was originally called the Copper and Riverside claim and they are now part of the Alco claim group that was staked in 1975. Drysdale reported the mineralization as being disseminated chalcopyrite and pyrite, with some molybdenite associated with calcite and quartz gangue on cleavage planes in sheared granodiorite, and that the shear zone had a strike of N55°W and could be traced for some hundreds of feet. He also described what is probably one of the most important factors in the emplacement of the mineralization, the higher intensity of fracturing, shearing and brecciation that occurs in the batholith adjacent to the resistant Paleozoic remnants. His observations indicated that the main portion of the batholith would yield to regional stresses and produce gneisses but in close proximity to the resistant greenstones and cherty quartzites the granodiorite would be fractured and sheared.

Although the copper and molybdenite mineralization on the Alco Group was found in 1907 and has been examined over the years by numerous

mining companies the extent and continuity of the mineralization and its very close relationship to the intensity of fracturing was not recognized. It was not until the new road was cut through the numerous outcrops on the Alco Group in 1975 that fresh rock surfaces over a large area could be observed. It was found that secondary copper minerals and primary sulphides occur below the highly leached-weathered outcrop surface although there is no evidence of any mineralization on the surface of the outcrop. The copper and molybdenum mineralization has been traced in the road cuts on the Alco Group for approximately 1800 feet.

Dr. E. S. Cheney of the Department of Geological Sciences, University of Washington, in a recent publication describes the characteristic of a copper-molybdenum intrusive type deposit that has a number of features similar to the Rio Tinto - Alco deposit. He has named this type of occurrence a Batholithic Ore Deposit and describes it as having the following geological features which most porphyry-type deposits do not:

"they (1) occur within a batholith, (2) lack porphyritic rocks with aphanitic or fine grained groundmasses, (3) have low total sulfide hypogene mineralizations that are restricted to veins, veinlets, and fractures, (4) have thin hydrothermal biotitic envelopes around the veinlets, (5) have unaltered rocks peripheral to the biotitic zone, (6) have tabular or other structurally controlled zones of quartz-sericite-pyrite and chloritic alteration superimposed and generally within the biotitic alteration, and (7) produce only weak supergene alteration and secondary enrichment.

Examples of batholithic deposits are the Quartz Creek and Middle Fork deposits in the epizonal, Miocene Snoqualmie batholith of Washington, the Pre-Main Stage alterations and mineralizations at Butte (Montana), Brenda (British Columbia), and, perhaps, a number of deposits in the northern Appalachians. Not all of these deposits have all of the above characteristics and some porphyry ore deposits have characteristics similar to batholithic deposits; evidently porphyry and batholithic deposits are end members of a series."

The Alco deposit, although having relative low grade alteration and a number of the other characteristics of a batholithic deposit is somewhat different because of its very close proximity to a large, highly mineralized remnant that is the host for copper, lead, zinc, silver and gold fissure veins and skarn deposits. These peripheral occurrences, the major-regional fault and Tertiary volcanisms are all typical features of a porphyry type deposit.

The 1975 summary of Geological Fieldwork by the British Columbia Department of Mines includes a report by G. G. Adie on the Gold-Silver-Copper Mineralization in the Boundary District. This statistical study notes the recent discovery of a porphyry copper prospect in the Franklin Mining Camp and uses it as an example to predict that a similar deposit may be found in or near the Wallace Creek batholith.

Bell-Arab Claim Group

(a) Bell 1, 3, Arab 1 and 2.

This claim group adjoins the Alco group to the south and west and is underlain by granodiorite of the Nelson Batholith. The major northeasterly trending fault zone cuts across the central portion of the Bell 3 claim to the south and forms the contact with Paleozoic paragneisses to the east. The Arab claims cover the north to contact between the granodiorite and the metasediment-volcanic remnant.

Assessment reports filed on work done on earlier claim groups in the Franklin camp area indicate that copper-molybdenum have been found between Burrell Creek and the road on the west side of the valley.

(b) Bell 2

The group is approximately 3/4 of a mile north of the Alco Group. It covers approximately 3000 feet of contact between the granodiorite on the south and Anarchist Group greenstone to the north. A north-south fault borders the east side of the Bell Groups.

Respectfully submitted,



G. C. Gutjahr, P.Eng.,

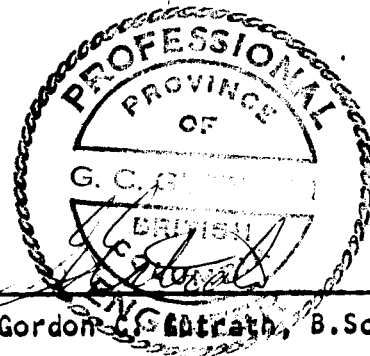
ATLED EXPLORATION MANAGEMENT LTD.

March, 1976.

ENGINEER'S CERTIFICATE

I, GORDON C. GUTRATH, of 3636 Lakedale Avenue, in the Municipality of Burnaby, in the Province of British Columbia, DO HEREBY CERTIFY:-

1. That I am a consulting geologist with a business address of 420 - 475 Howe Street, Vancouver, B. C. V6C 2B3.
2. That I am a graduate of the University of British Columbia where I obtained my B.Sc., in geological science in 1960.
3. That I am a Registered Professional Engineer in the Geological Section of the Association of Professional Engineers in the Province of British Columbia.
4. That I have practised my profession as a geologist for the past fifteen years, and
5. That I have no interest in the property with which this report is concerned, nor do I expect to receive any such interest. I have no interest in the securities of Belcarra Explorations Ltd. (N.P.L.).



DATED at the city of Vancouver, Province of British Columbia, this 13 day of April, 1976.

REFERENCES

- Drysdale, Charles W., 1915, Geology of Franklin Mining Camp
British Columbia Memoir 56 G.S.C.
- Little, H.W., 1953 - 1956, Map 6 - 1957 and Descriptive Notes
Kettle River (East Half) 1:250,000 G.S.C.
- Chilcott, R.P. and Lisle, T.E., 1964, Report on Franklin Mining Camp
Greenwood Mining Division (AR # 637)
- Norman, G.W.H., 1969, Geological Report on the Bear-Doe Group
Franklin District
- Cheney, E.S., Trammell, J.W., Howard, D.A., 1972, Inside-Out
Hydrothermal Alteration in a porphyroid Cu/Mo
Deposit Econ. Geology, Vol. 67, 1003
- Cheney, E.S., Trammel, J.W., 1975, Batholithic Ore deposits
Abstract Econ. Geology, Vol. 70 P. 1318 -1319
- Addie, G.G., 1975, Gold-Silver-Copper Mineralization in the Boundary
District, B.C. Department of Mines and Petroleum Resources, Summary
of geological field work, 1975, p. 19
- British Columbia Department of Mines Annual Reports of the Minister
of Mines, 1900, 1901, 1903, 1904, 1906, 1908, 1911, 1913, 1914, 1918,
1920, 1921, 1922, 1927, 1928, 1931, 1933, 1935, 1936, 1937, 1940,
1941, 1942, 1947, 1948, 1949.

ITEM 6

The names, addresses and chief occupations for the past five years of the officers and directors of the Company are as follows:

<u>Name & Address</u>	<u>Position with Company</u>	<u>Occupation for past 5 years</u>
Melvyn Michael Rahal, 237 Gibraltar Court, Kamloops, B.C.	President and Director	Mining Executive
Richard W. Kelly, 1530 Robinson Cres., Kamloops, B.C.	Secretary and Director	Businessman
Robert Henry Dalgleish, Box 40, Savona, B.C.	Director	Businessman

ITEM 10

The beneficial shareholders of the Agent, Canarim Investment Corporation Ltd., are:

<u>Name and address</u>	<u>Class of shares</u>	<u>Number of shares</u>	<u>Percentage</u>
Alfred E. Turton, 1 Lakeview Square, Winnipeg, Manitoba	Common	24,119	54%
Peter M. Brown, 424 Burrard St., Vancouver, B.C.	Common	15,212	34%
Brian D. Harwood, 424 Burrard St., Vancouver, B.C.	Common	5,625	12%

ITEMS 12, 14 and 15

1. Saskatchewan Uranium Property

The Company is the holder of CBS Block 4368 (Map 74-B-2) comprising 960 acres in the Keller Lake area of Saskatchewan. This property was acquired in April of 1975 from A.A. Sjolander of Box 344, Laronge, Saskatchewan for \$3,000.00, which has been paid by the Company. The Company has no present intention of doing any work on this property other than the minimum amount necessary to maintain it in good standing.

2. The Bell-Arab Mineral Claims in the Burrell Creek area, Greenwood Mining Division, British Columbia

The Company is the holder of the following mineral claims:

<u>Name of Claim</u>	<u>Record number</u>	<u>Expiry date</u>
Bell 1	165	November 21st, 1976
Bell 2	166	November 21st, 1976
Bell 3	167	November 21st, 1976
Arab No. 1	229	February 20th, 1977
Arab No. 2	230	February 20th, 1977

The foregoing consist of five claim groups totalling 36 units. The Bell 1 and 3 and Arab 1 and 2 claims are contiguous and total 32 units, the Bell 2 claim is made up of 4 units. The claims are located in the general area of the Franklin Mining Camp on Burrell Creek, 35 air miles north of Grand Forks, British Columbia. These claims were located and staked on behalf of the Company at a cost of about \$3,000.00. No monies have been spent by the Company in exploring or developing the Bell-Arab claims.

BELCARRA EXPLORATIONS LTD. (N.P.L.)

THIS IS THE SCHEDULE TO THE STATEMENT OF
MATERIAL FACTS OF BELCARRA EXPLORATIONS
LTD. (N.P.L.)

ITEMS 1, 2, 3 and 9

By an Agency Agreement dated July 12th, 1976, made between the Company and Canarim Investment Corporation Ltd. ("Canarim") of 424 Burrard Street, Vancouver, British Columbia, Canarim agreed to act as agent for the Company on a best efforts basis to sell 250,000 treasury shares in the capital of the Company at the price of not less than 20¢ per share. Canarim will be paid a commission for the sale of these shares in accordance with the regular rates established by the Vancouver Stock Exchange ("Exchange"). The Agency Agreement provides that this offering of shares on a best efforts basis shall remain outstanding for a period of thirty days from the effective date of the Statement of Material Facts. Canarim will receive a fee of \$500.00 on the effective date of this Statement of Material Facts and 6% of gross sales at the time these shares are sold. In the event that all of the said 250,000 shares of the Company are sold, Canarim will receive an additional 1½% of gross sales, less the fee of \$500.00, on completion of the sale of all of the said 250,000 shares of the Company. The agency agreement provides that the shares may not be sold for less than 20¢ per share. If all the shares offered hereunder are sold at 20¢ per share, Canarim will be entitled to a total commission of \$3,750.00, and the Company will net a total of \$46,250.00.

The market range of the Company's shares during the last 90 days was a low of 15¢ and a high of 20¢ per share.

There are no outstanding or proposed underwriting or option agreements. There are no outstanding or proposed sub-underwriting or sub-option agreements or assignment agreements.

ITEM 4

The net proceeds from the sale of the shares offered hereunder cannot be determined but if all the shares offered hereunder are sold at the minimum price of 20¢ per share and Canarim is paid a commission of 7½% of gross sales, then the Company will receive a net amount of \$46,250.00. The net proceeds of the sale of the shares will be used for the following purposes:

(a)	Costs of this issue	\$1,000.00
(b)	Retirement of current liabilities	\$5,550.00
(c)	To carry out Phase 1 and, if warranted, Phase 2 of the recommendations of G.C. Gutrath, P. Eng., in his report to the Company dated March, 1976 on the Company's Bell-Arab claims in the Burrell Creek area, Greenwood Mining Division, British Columbia	32,890.00
(d)	Any balance will be used for administrative and general corporate purposes	<u>6,810.00</u>
		\$46,250.00.

If the carrying out of Phase 2 of the said recommendations is not warranted by the results of Phase 1, then any surplus funds available to the Company will be used for general corporate purposes. The Company will not use the proceeds of this offering on any other exploration program without first filing a current engineering report with and obtaining the approval of the Vancouver Stock Exchange.