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REPORT ON THE UR #1 CLAIM  
CHINA CREEK, B.C.

Prepared for  
GOLDEN GRANITE MINES LTD. [N.P.L.]

by  
W. MEYER, P.ENG.

January 12, 1977

Vancouver, B.C.

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ASSAY CERTIFICATE

AUTHOR'S CERTIFICATE



### SUMMARY & CONCLUSIONS

The UR #1 claim, located on China Creek in the Trail Creek Mining Division, covers a number of significant uranium showings and borders others. Sampling by the writer returned values of 0.32 lbs.  $U_3O_8$  to 2.50 lbs.  $U_3O_8$  in low to moderately radioactive material. There is some evidence of leaching at the bedrock surface.

The UR #1 claim is located near major supply centres and a major highway, hydroelectric power line and natural gas pipe line pass through the claim.

A comprehensive technical programme has never been carried out on the property.

In the writer's opinion the property has a potential for developing large tonnages of uranium mineralization that could be amenable to open pit mining.

A programme of technical and physical work is recommended. The cost of the initial stage of exploration is estimated at \$30,000.00.

## RECOMMENDATIONS

The UR #1 claim and the China Creek area generally has a large number of uranium showings in a host rock of unusually high background but has never been subjected to any formal technical surveys or appreciable work. A technical programme consisting of geological mapping, a radiometric survey and a soil geochemical survey for uranium is recommended.

The known showings and any new showings should be trenched by drilling and blasting and chip or bulk sampled. The G.S.C. developed sampler drill should be considered for use in examining the showings.

The cost of this initial programme is estimated below:

Geological mapping	\$ 3,000
Geochemical sampling	3,000
Geochemical analysis [1,500 samples @ \$2.75/sample]	4,125
Radiometric survey [30 Miles @ \$100/mile]	3,000
Trenching [Labour & supplies]	3,000
Field Tools, Hardware, vehicle rentals, etc.	4,000
Board, Lodging, Transportation and communication	3,800
Engineering, drafting, report preparation	<u>2,500</u>
Total	\$26,425
Contingency	<u>3,575</u>
Total estimated cost	<u><u>\$30,000</u></u>

Respectfully submitted,

*W. Meyer*  
W. Meyer, P. Eng.

## INTRODUCTION

The following report is prepared at the request of Mr. T.P. Bowes of Golden Granite Mines Ltd. following an examination of the China Creek uranium prospect, Trail Creek Mining Division. The UR #1 claim, located seven miles west of Castlegar, B.C., was examined November 18th and 19th, 1976 in the company of Messrs. T.P. Bowes, and R. Carlson.

The UR #1 claim covers a number of radioactive showings and ground adjacent to other significant showings. Uranium mineralization in the China Creek area has been known for some time and values of individual samples ranging up to 1.9%  $U_3O_8$  have been reported. Except for limited physical work in 1968, very little exploration has been carried out in the past.

A programme of technical and physical work is recommended to assess the uranium mineralization on the UR #1 claim.

### LOCATION & ACCESS

The UR #1 claim is located on China Creek in the Trail Creek Mining Division centered around Latitude  $49^{\circ} 14'N$  and Longitude  $117^{\circ} 41'W$ . [Fig. 1]

Access from Vancouver is via Highway No. 3 or twice daily scheduled PWA flights to Castlegar, B. C. From Castlegar, the claim is reached by paved highway [No. 3a] seven miles to the west. Within the property, a good gravel road [China Creek Road] suitable for two-wheel drive vehicles in summer and four-wheel drive vehicles in winter provides good access to the east and north part of the claim group.

A major paved highway, a transmission line and a gas pipeline pass through the south-eastern portion of the claim. The major supply centres of Trail and Castlegar are a short drive from the property.

The immediate area of the claims is characterized by sparsely timbered, gentle to moderate slopes ranging in elevation from 1,500' to 3,000'. Rainfall in summer and snowfall in winter is relatively low and the field season relatively long.

### CLAIMS

UR #1 is a mineral claim consisting of 20 units, the area of which includes 5 units held by previous staking. The effective ground held by UR #1 is therefore 15 units. [See Fig. 2]

The pertinent claim data is shown below:

<u>Claim</u>	<u>Record Number</u>	<u>Tag No.</u>	<u>Recording Date</u>
UR #1	Not available	15176	December 29, 1976

## HISTORY

The Nelson-Trail-Castlegar area has a long history of mining dating back to the 19th century with exploration for and production of base and precious metals. It was not until the 1960's, however, that uranium was identified in the China Creek Area. During that period, limited physical work was carried out on the then known uranium occurrences principally by Norex Uranium Limited. The property is described in the report "Norex Uranium Limited - China Creek Property" by Dr. A.C. Skerl dated May 16, 1968 and in the British Columbia Department of Mines and Petroleum Resources publication "Lode Metals in British Columbia - 1968" [page 239].

The work programme at that time consisted of drilling and blasting several trenches at intervals over a distance of 1,000 feet on the south-west side of China Creek. Values reported from this work varied from minor amounts of uranium to 1.9%  $U_3O_8$ .

At least four holes were drilled to test some of the showings with unknown results.

The market price for uranium during this period was in the \$4 to \$8 range and interest in uranium at a low ebb. With current and projected demand for uranium and corresponding high prices, the China Creek uranium occurrences are being re-evaluated with a view to developing large reserves of low grade uranium amenable to open pit mining.

F/5E  
F/4E



FIG. 2

GOLDEN GRANITE MINES LIMITED

UR # 1 CLAIM  
CHINA CREEK AREA

CLAIM AND SAMPLE LOCATIONS

111  
(7)



## GEOLOGY & MINERALIZATION

The regional geology of the Nelson map sheet [west-half] is described in G.S.C. Memoir 308 by H. W. Little - 1960. The age of the rocks underlying the China Creek area is unknown but are no older than Carboniferous age and are intruded by rocks of the Lower Cretaceous Nelson Batholith.

On the UR #1 claim, the underlying rocks consist of relatively fine-grained quartz biotite schists and gneisses with thick layers [up to 50 feet] of coarse feldspar and quartz which is termed pegmatoid.

The layering in the rocks strikes east-west and dips at very shallow angles to the south.

The known higher grade uranium showings occur in the coarse ~~of~~ "pegmatoid" layers in the gneiss and in an area where the host rocks have background radioactivity approximately three times the regional background levels.

Five uranium showings in the China Creek area were examined by the writer, of which three occur on the UR #1 claim and two others are on or near the claim boundaries. Four samples were submitted for assay. The four samples taken are considered to be representative of areas of moderate radioactivity [two samples], areas of low radioactivity [one sample] and the general background locally [one sample].

The sample data is tabulated below and sample locations are shown on the claim map on Fig. 2.

<u>Sample No.</u>	<u>Description</u>	<u>% U<sub>3</sub>O<sub>8</sub></u>	<u>Lbs. U<sub>3</sub>O<sub>8</sub></u>
1306	Mod. radioactivity	0.092	1.84
1309	"	0.125	2.50
1308	Low radioactivity	0.16	.32
1307	Background	0.002	.04

The radioactive showings occur in rusty weathering rocks indicating that some leaching of sulphides and uranium has taken place at the bedrock surface. Certainly, of the showings examined, the ones drilled and blasted show greater radioactivity and return higher assays than the weathered bedrock surface. Samples were not submitted for thorium analysis at this time. Previous sampling in the area has indicated high uranium to thorium ratios. On the basis of the known sampling data, it would appear that any rocks having relatively low radioactivity [10,000 cps] compared to the local background [3,000 cps] could carry significant uranium values.

Respectfully submitted,



W. Meyer, P. Eng.

ACME ANALYTICAL LABORATORIES LTD.

to W. Meyer & Associates Ltd.

1015-470 Granville St.,

Vancouver, B.C.

V6C 1V5

Assaying & Trace Analysis  
6455 Laurel St., Burnaby 2, B.C.

Tel: 293-0242

File No. 6946

Type of Samples Rocks

Disposition 1 year

ANALYSES CERTIFICATE

No.	Sample	U <sub>3</sub> O <sub>8</sub> %						No.
1	1306	.092						1
2	1307	.002						2
3	1308	.016						3
4	1309	.125						4
5								5
6								6
7								7
8								8
9								9
10								10
11								11
12								12
13								13
14								14
15								15
16								16
17								17
18								18
19								19
20								20

All reports are the confidential property of clients.

DATE SAMPLES RECEIVED Dec 20, 1976

DATE REPORTS MAILED Dec 21, 1976

*W. Meyer*  
CERTIFIED B.C. ASSAYER

C E R T I F I C A T E

I, William Meyer, do hereby certify that:

1. I am a geologist with residence at 911 Jarvis Street, Coquitlam, B.C.
2. I am a graduate of the University of British Columbia [B.Sc., 1962].
3. I am a registered member of the Association of Professional Engineers of the Province of British Columbia.
4. I have worked as an exploration geologist for fourteen years for the following companies: Phelps Dodge Corporation of Canada Ltd., Gibraltar Mines Ltd., Associated Geological Services Ltd., Western Geological Services Ltd. [senior partner].  
  
I am presently a senior partner in W. Meyer & Associates Ltd.
5. I have no interest, direct or indirect, nor do I anticipate receiving any, in the properties or securities of Golden Granite Mines Ltd. [N.P.L.].

  
\_\_\_\_\_  
W. Meyer, P.Eng.

January 12, 1977

Vancouver, B.C.

# TOUCHE ROSS & CO.

SUITE 700  
THE BOARD OF TRADE TOWER  
1177 WEST HASTINGS STREET  
VANCOUVER, BRITISH COLUMBIA  
V6E 2L2  
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## AUDITORS' REPORT

The Shareholders,  
Golden Granite Mines Limited.

We have examined the balance sheet of Golden Granite Mines Limited as at September 30, 1976 and the statements of deficit and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at September 30, 1976 and the results of its operations and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Touche, Ross & Co*

Chartered Accountants.

Vancouver, B.C.,  
December 4, 1976.

4. ESTIMATED NET PROCEEDS OF THE COMPANY ARE TO BE SPENT

The principal purposes for which the estimated net proceeds from the sale of the securities offered by this Statement are to be spent are as follows:-

To carry out the initial work program of surface exploration on the China Creek, B.C. property as recommended by W. Meyer, P.Eng., in his report dated January 12, 1977.	\$30,000.00
To pay on account of outstanding liabilities	\$20,000.00
To general working capital	\$16,000.00
TOTAL NET PROCEEDS	\$66,000.00

The Company is currently engaged in negotiations involving its China Creek property. If such negotiations are successfully concluded, the funds required for exploration for said property will be provided for by a third party and the \$30,000 intended for exploration work on the China property shall, to the extent of \$20,000 be applied to retire outstanding liabilities and the balance shall be applied to general working capital.

5. GIVE FULL NAME, HOME ADDRESS AND CHIEF OCCUPATION AND THE NUMBER OF SHARES OF THE COMPANY BENEFICIALLY OWNED, DIRECTLY OR INDIRECTLY, BY EACH SENIOR OFFICER OR DIRECTOR OF THE COMPANY AND, IF EMPLOYED DURING THE PAST FIVE YEARS, THE NAME OF EACH EMPLOYER

<u>Name &amp; Address</u>	<u>Chief Occupation for Past Five Years</u>	<u>Number of Shares beneficially owned</u>
Thomas Patrick Bowes 2561-28th Street Aldergrove, B. C. Director and President	Exploration Company Executive	19,000
Alfred Kennedy 1204-945 Jervis Str. Vancouver, B. C. Director and Secretary	Semi-retired; Part- Time Office Administrator	516 escrow
Mary Mark #503-2190 Bellevue West Vancouver, B. C. Director	Office Secretary Bookkeeper	1,000 free

6. PARTICULARS OF THE CORPORATE STANDING OF THE COMPANY

The Company was incorporated in British Columbia on June 1, 1971 by Certificate of Amalgamation.

The last Annual Report was filed with the Registrar of Companies of British Columbia on January 14, 1977. All filings required to be made by the Company under the Securities Act and Companies Act of British Columbia are up to date.

FISHER SECURITIES CORPORATION

<u>Name &amp; Address</u>	<u>No &amp; Class</u>	<u>Percentage Held</u>
Errol Fisher 3019 Pt. Grey Vancouver, B. C.	1,000 Class A 1,000 Class B	100%

The range of the market price of the shares of the Company and the volume of sales for each of the four weeks immediately preceding the date of the certificates to the Statement, of the Vancouver Stock Exchange, is as follows:-

<u>Week</u>	<u>Market Range</u>	<u>Volume</u>
December 13 - 17	15¢ to 11¢	25,800
December 20 - 24	17¢ to 13¢	30,400
December 27 - 31	19¢ to 17¢	22,600
January 3 - 7	29¢ to 19¢	83,700

Canarim, subject to the By-laws of the Exchange, may buy and sell shares for the purpose of maintaining an orderly market during the period that the shares to be sold hereunder are being distributed to the public and may be considered the Market Maker during that period. Canarim does not hold any shares of the Company under its control.

The Underwriters have been granted a first right of refusal for all financings within 12 months of the effective date.

The number and percentage of the issued and outstanding shares of the Company beneficially owned, directly or indirectly, by promoters, directors, senior officers and persons holding 10% or more of the issued shares as a group is 20,596 shares and less than 1%.

2. PARTICULARS CONTRIBUTING TO THE SPECULATIVE NATURE OF THE SECURITIES BEING OFFERED

The properties of the Company on which the proceeds from the sale of securities offered by this Statement are without a known body of commercial ore and the proposed program is an exploratory search for ore.

Shares of the Company must be considered speculative securities as the Company's mining properties are in the exploration and development stage.

No survey has been made of the Company's mineral claims and therefore, in accordance with the mining laws of the jurisdiction in which such claims are situate their existence and area could be in doubt.

3. DETAILS OF ANY MATERIAL CHANGES OR PROPOSED MATERIAL CHANGES IN THE AFFAIRS OF THE COMPANY

None.