

CONTACT: LARRY O'NINGTON  
Kamloops 372-5794

680515

MEMORANDUM

FROM: Jay D. Murphy, P. Eng.  
SUBJECT: Wing Chip and Atis Mineral Claims  
Cottonwood Area, Cariboo M.D., B.C.  
DATE: 1986 - 03 - 21

Introduction

Gold placers in the Cottonwood area were among the first such deposits exploited during the initial Cariboo gold rush of the mid-19th century. The rich deposits of Lightning Creek are particularly prominent in historical accounts of that period. In recent times the discovery of the Toop placer in 1972 has refocused attention on the area. In 1984 Mary Creek Resource Corporation of Kamloops acquired three placer claim blocks and two mineral claims as shown on the accompanying map (Plate No. 1). Subsequent road building and trenching on the northern portion of mineral claims MC-1 and 2 located significant gold-silver values in bedrock. Follow up work in the winter of 1985-86 included both rotary and diamond drilling that to date has reportedly located lowgrade gold values in a variety of rock types. Results also suggest the presence of higher grade sections with grades in the one ounce per ton range. This information prompted staking the subject claims in February 1986.

The Wing 1 to 4 claims contain 80 units, the Atis 1 and 2 claims, 40 units and the Chip 1 claim, 16 units. The latter claim appears to overtake five 2-post mineral claims so that net coverage is 10 or 11 units only.

Geology

The subject claims are situated on a major regional structure, the faulted eastern margin of the Quesnel Trough that divides Mesozoic eugeosynclinal volcanics and sediments of the trough from Proterozoic Cariboo Terrane sediments to the northeast. This structure parallels the general northwest trend of the Cordillera in a nearly straight line from likely in the southeast, almost to Prince George in the northwest, a total distance of approximately 150 km.

On the Mary Creek property work is reportedly being concentrated on a sequence of pyritic tuffs and felsic to intermediate flows of probable Lower Tertiary age, cut by quartz veins. Unofficial reports on drilling results indicate visible gold in several of these lithologic units.

Mineralogy

AND PYRITE LODES.

Gold mineralization in the Cariboo is reported from a variety of rock types spanning a long period of geologic time. The Mary Creek mineralization of Tertiary age has been mentioned. The Cariboo Gold Quartz and Island Mountain underground mines in the Wells-Barkerville area are former producers from vein structures hosted by Precambrian Kaza Group sediments. Total lode gold production from the Cariboo to 1974 exceeded 344,000 ounces, most of which is believed to have come from the two mines mentioned above. In 1961 for example, the Cariboo Gold Quartz operation produced over 20,000 ounces of gold from ore averaging .53 oz/ton.

MORE THAN 1 M.M.

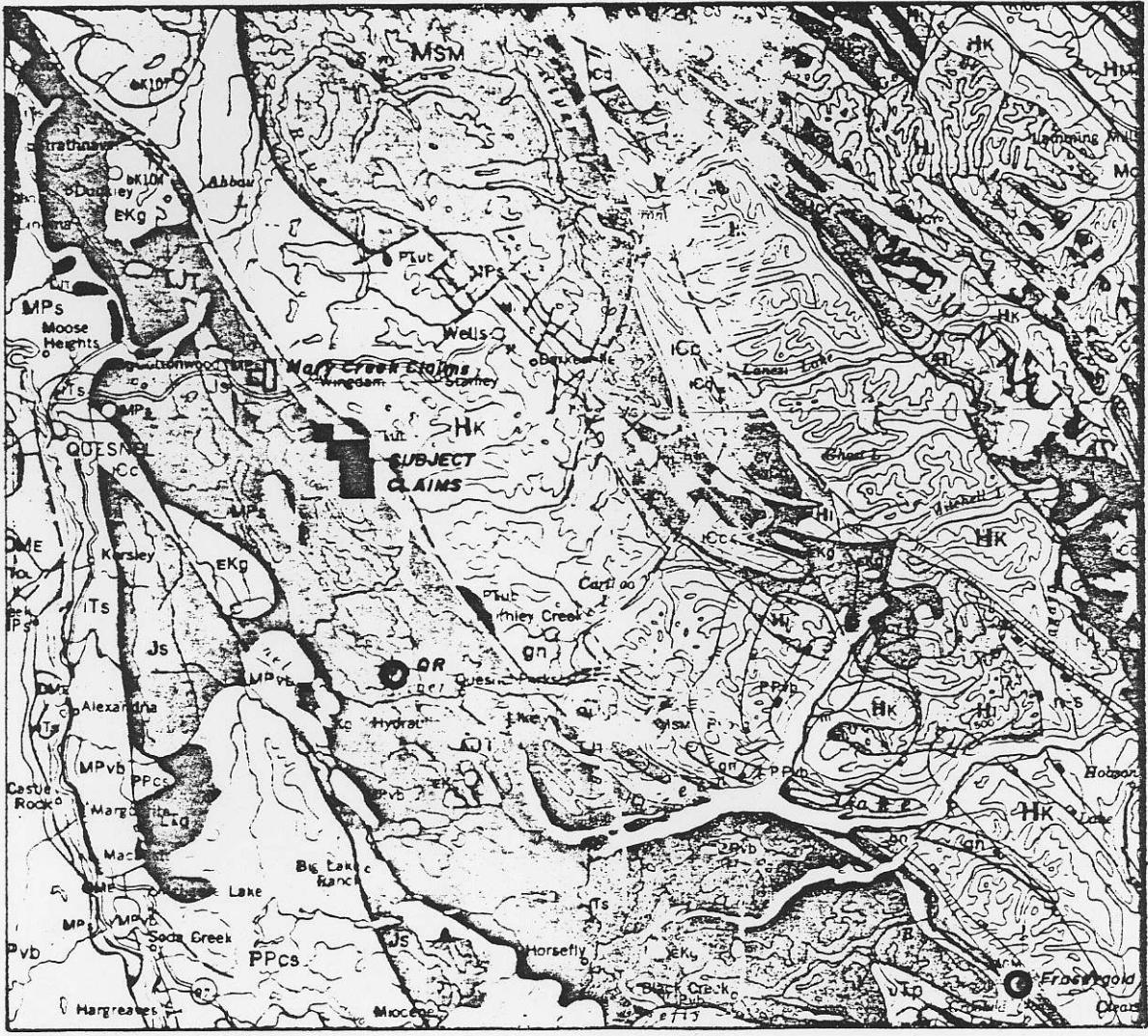
Prospects currently being explored include the QR property 25 km south of the subject claims. Mineralization here is associated with a diorite stock intrusive into pyritic volcanics of Triassic age. Massive gold bearing pyrite also occurs in tuffs.

Another prospect is the Frasergold showing some 115 km southeast of the subject claims. Mineralization occurs in folded Upper Triassic phyllite containing 30% quartz stringers with 5 - 10% pyrite-pyrrhotite carrying trace amounts of sphalerite, chalcopyrite and galena. Diamond drilling has intersected visible gold.

Summary

All gold deposits discussed in this memorandum and shown on Plate No. 1, both lode and placer, occur within 20 km of the fault zone delineating the eastern margin of the Quesnel Trough. This suggests the fault zone may be a deep crustal feature persisting from Precambrian time that has served to localize several epochs of gold mineralization.

The Wing, Atis and Chip claims are located directly on strike of this structure with the properties of Mary Creek Resource Corp. The subject claims lie between 3.5 and 25 km from the Mary Creek claim blocks and cover similar structures and lithologies.



SCALE - 1:1000000


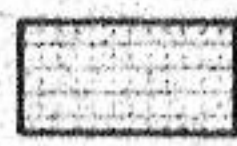

<b>COTTONWOOD CLAIMS</b>		
CARIBOO M.D.		
<b>LOCATION MAP</b>		
J.D.M	86-03-24	PLATE NO. 1

MIOCENE-PLIOGENE

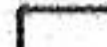



JURASSIC

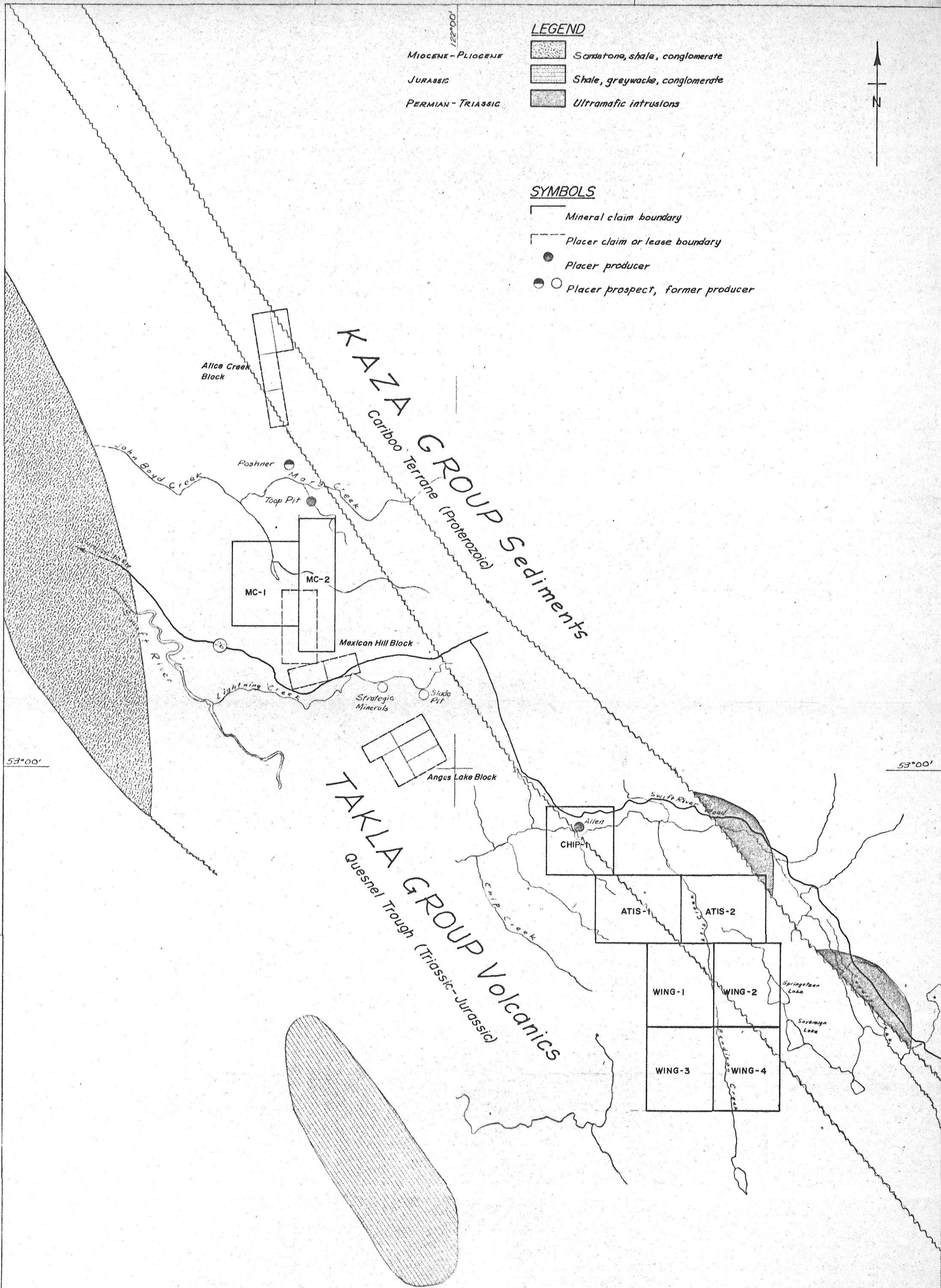
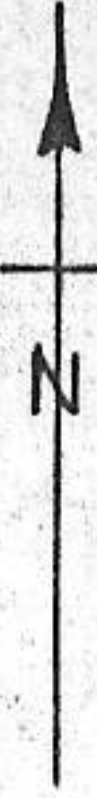
PERMIAN-TRIASSIC

LEGEND

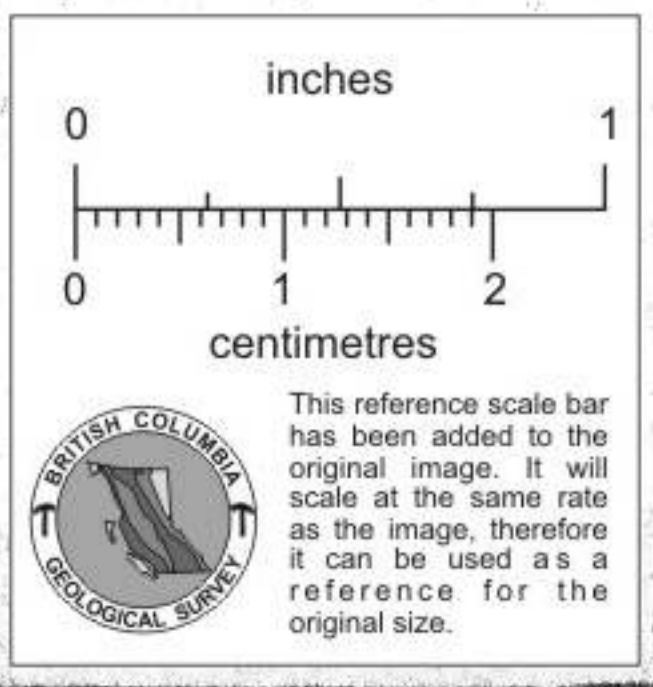
-  Sandstone, shale, conglomerate
-  Shale, greywacke, conglomerate
-  Ultramafic intrusions

SYMBOLS

-  Mineral claim boundary
-  Placer claim or lease boundary
-  Placer producer
-  Placer prospect, former producer



NOTE:  
 Geological data from GSC Map 1424- Parsnip River (1:1000000)  
 Mary Creek claim locations from published promotional report by Company



COTTONWOOD CLAIMS  
 N.T.S. 93A/A,B,G,H  
 CARIBOO M.D.  
 CLAIMS LOCATION  
 RELATIVE TO MARY CREEK RES.  
 AND KNOWN PLACER DEPOSITS  
 J.D.M. 1:50000 86-03-19 PLATE NO. 2