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681035 ✓

SUMMARY REPORT

ON

VIC GOLD HOLDINGS

TASEKO LAKE, B. C.

92°0'5E 51°22'-1/2N 123°37'-1/2W

FOR

GILFORD MINES LTD.  
VANCOUVER, B. C.

BY

GEAREX ENGINEERING

G. von Rosen, P.Eng

November 24, 1977

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MAPS

(In Appendix Pocket)

Appendix A: Topography showing gold vein structure and preliminary adit configuration.

Appendix B: Section A - A' showing assays and preliminary adit configuration.

GEAREX ENGINEERING

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November 24, 1977

The President and Directors  
Gilford Mines Ltd.  
302 - 750 West Pender Street  
VANCOUVER, B. C.

Dear Sirs:

SUMMARY REPORT  
VIC GOLD HOLDINGS  
TASEKO LAKE, B. C.

SUMMARY

Your gold property at Taseko Lake presents an intriguing exploration target. Historically and recently, exploration has resulted in confirming valuable gold assays in quartz veins, but natural physiographic difficulties have forced further testing of the gold zone on "Vic" mountain to be done by underground sampling.

This pilot study recommends and outlines driving a 1000 foot (300 meter) adit from lower, safer levels of the east "Vic" mountain face to intersect and drive on the known gold bearing structure. Once the gold structure has been drifted on for about 600 feet (183 m) an extensive underground fan drilling program is recommended to probe the vein structures at varied elevations.

Depending on the adit portal position, the underground drive may be lengthened or shortened, thus varying the cost, but an estimated length of 1000 feet (300 m) and 2000 feet (610 m) of fan drilling would basically cost \$240,000 with parameters as stated.

PREAMBLE

This report was commissioned by Lawrence Kershaw of Gilford Mines Ltd. of Vancouver.

This report summarizes activities on the property to date, discusses results obtained, and recommends an adit probe to be driven from lower safer altitudes of "Vic" mountain. Cost estimates are given, as derived from a pilot study which must be considered strictly preliminary and yet well enough founded, which shows that such a venture is feasible at this time.

I am familiar with this property and like its potential, having examined it during July - August 1974, and October 1975.

CLAIMS RECORD AND OWNERSHIP

<u>Name</u>	<u>Record No.</u>	<u>Anniversary</u>	<u>Present Status</u>
VIC 1-8	31918-31925	March 8, 1979	{ 50% Int'l Pyramid Mines Inc.
VIC 9-12	32145-32148	October 8, 1979	{ 50% Nemco Explorations Ltd.

The Vic claims comprise a single contiguous claim block within the Clinton Mining Division.

LOCATION AND ACCESS

NTS 92.0.5 E 51°22-1/2N 123°37-1/2W

This property is located on the west side of Taseko River about one kilometer northerly of the north end of Lower Taseko Lake.

The claims cover a gold bearing zone up the steep cliffs of "Vic Mountain" through a relief of 1000 meters between 1400 m ASL and the summit at about

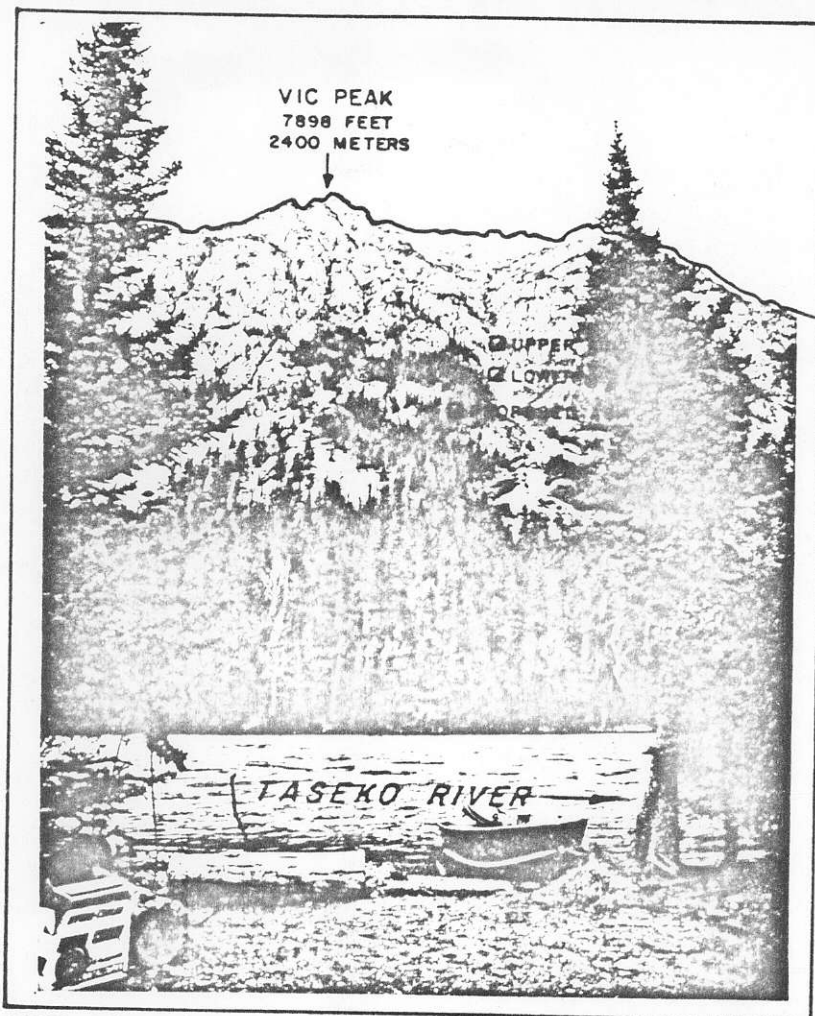


FIG. 2a VIC MOUNTAIN: VIEW WEST

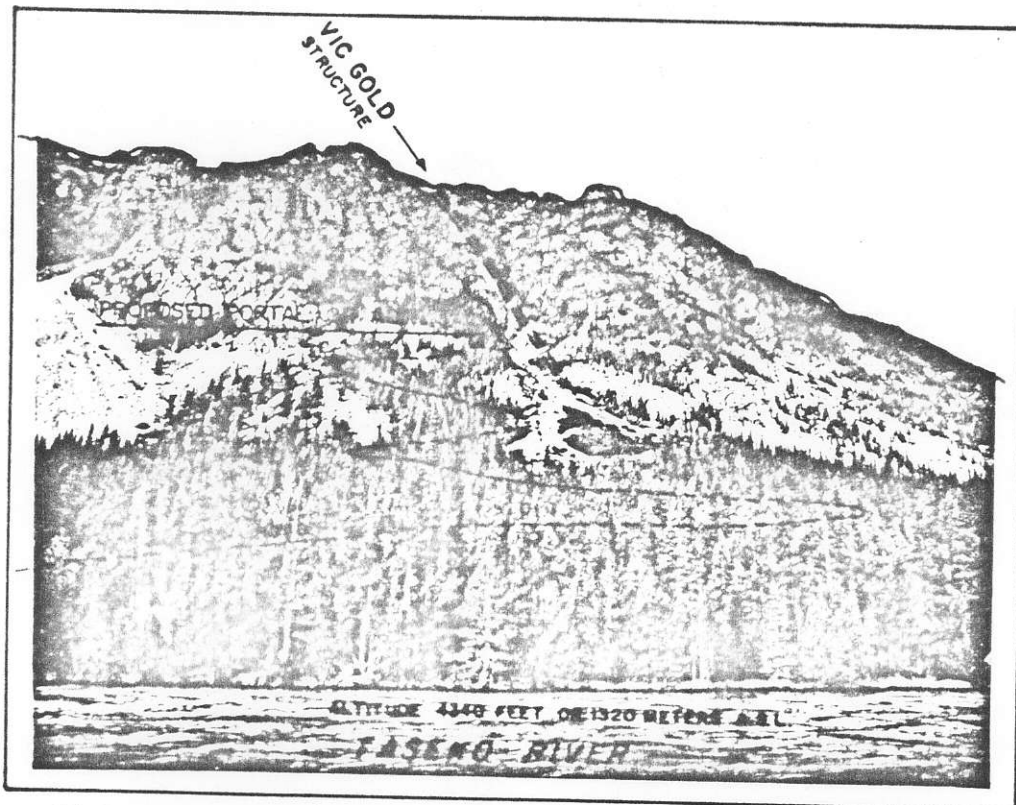


FIG. 2b VIC MOUNTAIN: VIEW NORTH WEST

3000 m ASL, on the front or east side of the mountain, and down a moderate slope to about 2000 m ASL on the back or west side.

The property is reached from Williams Lake, B. C. via 193 km of gravel road most of which is highway. The last 10 km is a "two wheel" secondary road. Camp sites have been located on both side of the river, which can be forded in the fall at low water level. A river boat ferry system is in operation. Access roads from the west side of the ford have recently been constructed; a) for about 3 kilometers up the "front" of the mountain to within ca 300 meters of the two adits, and; b) 12 kilometers to reach the vein structures on the summit slope, or backside.

#### GEOLOGY

The regional geology is shown on GSC map 29-1963 and a more detailed property map by Victor Dolmage is published in the 1935 Minister of Mines Annual Report.

The Vic claims are entirely underlain by a thick sequence of Cretaceous volcanics. In the immediate vicinity of the workings, these consist of andesites, tuffs, and massive flow-breccias striking northerly and dipping shallowly to the west into the mountain side. Through the main showing area, a branching series of diorite dykes are present trending southwesterly up the mountain. These dip steeply ( $75^{\circ}\text{SE}$  to  $80^{\circ}\text{NW}$ ) and vary in width from 20 to 100 feet.

Transecting the dyke swarm at a shallow angle, the fault zone of immediate interest strikes southwesterly up the mountain from the scree slope to the summit. This structure, with widths up to 25 feet, cuts both the volcanics and the diorites and dips vertically to  $75^{\circ}$  to the southeast. Several sub-

parallel faults have been recognized but these appear to be less continuous and less well-defined.

#### Mineralization

Mineralization on the Vic property occurs within a system of steeply dipping, southwest trending quartz-sulphide fissure veins. Although scattered veins have been found over the entire property, the veins are most concentrated and best developed within the strong fault structure transecting the dyke swarm.

Vein widths from 1" up to 69" have been mapped along the fault but the continuity of individual exposures is difficult to trace due to the intermittent rubble and snow cover. As presently exposed, the veins consist of well ribboned quartz with local bands of chalcopyrite and pyrite paralleling the fissures walls. The adjacent rocks within the structure are well sheared and moderately to strongly silicified.

Both the earlier government report and the recent work by L. J. Manning and Associates have verified that the gold values are confined to the high sulphide sections. Quartz vein material with no sulphides has consistently graded only traces of gold and silver. A recent microscopic examination of a high-gold, heavy sulphide specimen at U.B.C. has identified electrum - a gold-silver alloy, as an important constituent of the high grade material.

Numerous high grade samples from 1.10 to 9.34 oz. Au are noted in the government report and were confirmed by the more recent sampling. In most cases, these samples were obtained from surface where heavy sulphides

were found as remnant exposures along the footwall of the fault structure. To determine grade, one of these showing immediately above the upper adit was tested with a rock geochem drill in 1975/76. The six holes completed all collared in heavy sulphides and graded as shown under the heading Assays.

These holes were purposely drilled along strike and down dip to ascertain grade so their respective lengths are meaningless as to true width. However, these grades and the other high grade exposures do clearly illustrate the intensity of mineralization which has developed at least locally along the structure.

The ore control of the higher grade sections has yet to be established. The government report notes that the veins are intimately associated with the dyke system and occur within both the dykes and the adjoining volcanics. The recent work by Manning and Associates has suggested the chemistry or physical characteristics of the respective volcanic units may have influenced the vein system development.

#### ASSAYS

The following list of gold assays displays; a) the repeatability and; b) the on strike recurrence of the high grade mineralization. This information was quoted in a previous report and is here retabulated with the addition of the small core diamond drill test results of the upper adit showing.



Sample No.	By	Width		Gold (oz./T.)	Silver (oz./T.)	Copper (%)
		Metric	ft/in			
R 1	GvR	0.15	06"	0.10	0.03	ND
R 2	GvR	2.13	07'	0.002	TR	ND
R 3	GvR	0.91	03'	0.398	0.03	ND
R 4	GvR	0.61	2'	0.003	0.03	ND
R 5	GvR	0.86	34"	0.201	0.05	ND
R 6	GvR	0.61	24"	0.004	TR	ND
B 7	BFW	0.13	05"	1.210	0.80	2.74
B 8	BFW	0.10	04"	0.082	0.03	0.09
B 9	BFW	0.30	12"	0.026	TR	0.03
61	CZ	0.20	08"	0.269	0.24	0.13
62	CZ	0.66	27"	0.241	0.55	0.12
94	CZ	0.86	34"	{0.259}	0.14	0.15
				{0.243}		
95	CZ	0.46	18"	{0.196}	0.16	0.27
				{0.308}		
R 9	GvR	0.15	06"	0.173	0.43	ND
R10	GvR	0.86	34"	2.23	3.74	ND
R11	GvR	0.30	12"	0.32	0.03	ND
R12	GvR	0.61	24"	0.048	0.13	ND
R13	GvR	0.61	24"	0.026	TR	ND
B 1	BFW	0.13	05"	0.210	1.32	0.68
B 2	BFW	0.61	24"	0.044	0.32	0.34
56	GvR	0.86	34"	2.32	0.59	ND
57	GvR	0.86	34"	2.62	0.94	ND
63	CZ	0.76	30"	3.54	2.68	7.0
64	CZ	0.15	06"	5.35	5.17	2.5
65	CZ	0.15	06"	2.80	8.10	5.0
U 1	BFW	1.02	40"	TR	0.08	0.01
U 2	BFW	0.46	18"	TR	0.03	0.03
U 3	BFW			0.003	0.18	0.01
B 3	BFW	0.61	24"	0.032	TR	0.10
B 4	BFW	0.28	11"	0.278	0.12	0.02
B 5	BFW	0.25	10"	0.064	0.03	0.01
B 6	BFW	0.23	09"	0.108	0.05	0.07
B12	BFW	0.61	24"	0.050	0.05	0.18
82	CZ	0.41	16"	0.069	0.03	0.01
83	CZ	0.15	06"	0.147	0.08	0.01
92	CZ	0.76	30"	{0.089}	0.15	0.78
				{0.104}		
Pg. F28	V. Dolmage		Select	9.34	5.4	-
Pg. F28	V. Dolmage	0.30	12"	0.68	-	-
Pg. F28	V. Dolmage	0.30	12"	1.10	-	-
Pg. F28	V. Dolmage	0.15	06"	5.52	-	-
Pg. F28	V. Dolmage	0.25	10"	0.51	-	-

<u>Sample No.</u>	<u>By</u>	<u>Length</u>		<u>Gold</u>	<u>Silver</u>	<u>Copper</u>
		<u>Metric</u>	<u>ft/in</u>	<u>(oz./T.)</u>	<u>(oz./T.)</u>	<u>(%)</u>
528	NP/R.D.W.	0.61	2.0'	1.093	10.28	0.11
529	NP/R.D.W.	0.40	1.3'	3.642	13.38	5.50
530	NP/R.D.W.	0.52	1.7'	1.843	3.10	0.18
Average	R.D.W.	1.52	5.0'	2.01	8.64	1.54
(DDH GSC 75-2)						
531	NP/R.D.W.	0.61	2.0'	14.516	12.26	9.95
532	NP/R.D.W.	0.61	2.0'	3.526	5.75	0.96
533	NP/R.D.W.	0.61	2.0'	3.889	3.57	0.97
Average	R.D.W.	1.83	6.0'	7.31	7.19	3.96
(DDH GSC 75-3)						
534	NP/R.D.W.	0.24	0.8'	3.655	7.81	0.49
535	NP/R.D.W.	0.67	2.2'	2.312	4.08	1.70
536	NP/R.D.W.	0.30	1.0'	0.256	3.73	0.06
Average	R.D.W.	1.22	4.0'	2.62	4.74	1.05
(DDH GSC 76-1: Location: Elev. 5832', 1778 m; 20', 6 m above 1975 drilling on upper adit zone).						
49001	CX/R.D.W.	0.46	1.5'	4.212	5.25	5.18
49002	CX/R.D.W.	0.76	2.5'	2.362	3.52	3.05
Average	CX/R.D.W.	1.22	4.0'	3.06	4.17	3.85
(DDH GSC 76-2)						
49003	CX/R.D.W.	1.22	4.0'	1.760	2.06	3.01
49004	CX/R.D.W.	1.22	4.0'	0.003	0.01	0.08
49005	CX/R.D.W.	1.07	3.5'	0.088	0.42	0.07
49006	CX/R.D.W.	1.37	4.5'	0.810	1.19	2.52
Average	/R.D.W.	1.22	4.0'	1.76	2.06	3.01
or Average	/R.D.W.	4.88	16.0'	0.69	0.94	1.50

HISTORY

Details of history have been summarized previously (v. Rosen, November 21, 1974, and November 14, 1975; Westerwelt, July 23, 1976). To obviate duplication I hereby summarize the activities transpiring after the Westerwelt report.

1976, July 23, Westerwelt, R. D., Recommendations:

- a) picket grid, geochem and geophysics on backside.
- b) snow removal, mapping and assaying to search for the 800' (275 meters) reported ground sluiced gold discovery.
- c) BQWL drilling (underground) 1000' (325 meters) to test upper adit.
- d) BQWL drilling (surface) 2500' (762 meters) to test veins at summit, reached from the back.

1976, August - attempts were made to set up underground drilling operations but the only approach to this area is via a steep "gut" in the cliffs on the east face, down which there is constant activity of, in summer tumbling rocks, and in winter devastating snow slides. Small core drilling with a "G.S.C." drill was therefore confined to sampling of the vein extension above the upper adit.

1976, August - assay results (cf assay table) confirmed the depth extension of the mineralization.

1976, August - a BQWL drill was set up at the summit and 3 angle holes were aimed to intersect the veins at about 55 meters maximum depth below outcrop. Holes DDH.BQ.76-1 & 2 were drilled at  $-60^{\circ}$  and  $-45^{\circ}$  and reached 265 feet (81 meters) and 242 feet (74 m). Hole DDH.BQ.76-3 was situated a reported distance of 150 meters westerly still aimed

at testing the structure. The structure was identified and found to be entirely leached and although signs of rusty sulfides were observed, it was felt that the previously reported results would be better duplicated with larger volume sampling techniques, and this portion of exploratory activity was discontinued with indefinite results.

1976, August - while the diamond drilling was in progress at the summit, a concerted attempt was made at uncovering the massive snow blanket filling the "Vic" gold vein gorge. A compressor and air powered slusher equipment was used with a "scraper" on a cable dangling down the mountain side. Good headway was made in removing the top snow layer but soon a blue-ice deposit was found to be well resistant against drilling and blasting techniques. In one place, after lifting a thickness of ice, rock fragments could be seen at the bottom of the ice pit, but operations were shut down as inconclusive, when bed-rock was too expensive to reach after much time and effort had been expended. Possibly a warmer season, ie. special precipitation, freeze-thaw conditions, could at some time expose the reported 800 foot ground sluiced discovery.

#### RESULTS AND CONCLUSIONS

Exploration to date has in no way detracted from the intriguing gold potential of the Vic vein system.

Dolmage (1935), and others have reported gold showings elsewhere on this mountain, but the recent work has been focused on the gold bearing structure, which has visually been traced for a vertical distance of ca 750 meters

(2500 feet), and a horizontal distance of about 1000 meters (3200 feet). The structure is continuous, branches in some locations and has resulted in many documented gold assays, where sampling was not hindered by the difficulties engendered by rock, snow or ice either covering the exposures or falling off the cliffs above, being obtained from several locations. Old timers drove two adits from protected places to eventually reach the shear zones harbouring the quartz sulfide gold discovered on surfaces. Historically, of course the war enlisted all workers, and C. M. Vick did not return from overseas to further explore the property.

### Conclusions

The present situation is turning into an engineering challenge with the purpose of reaching the known gold bearing structure to adequately test a portion of its vertically dipping trend. Once continuity of gold values, found in several localities on surface, can be established sub-surface, carefully engineered mining operations are recommended to stockpile known ore, while exploring by underground mining methods. Continuity has been established by vertically and horizontally scattered but documented gold showings, and all reasonably inexpensive exploration methods have failed for reasons outlined above.

The writer is therefore drawn to the conclusion that the intriguing gold potential of the Vic gold veins will have to be explored by underground methods carried out via an operation to be planned as follows:

### RECOMMENDATIONS

An adit should be driven to intersect the south vein of the "Vic" gold bearing structures. The portal location, bearing, size, length and

inclination of this adit must be so designed that access to it and the mine site itself is safe, and that the target area is reached with ample funds remaining to adequately bulk sample and underground fan drill the Vic vein structure.

The total length of the workings must be carefully mapped face by face and sampled in search for parallel precious metal bearing zones, but extremely good continuous mapping, assaying, and stockpiling methods (and/or sample storage) must be followed when the target area is reached.

Such an undertaking needs considerable and detailed preliminary planning, quite apart from excellent engineering control during the operation.

A staged program of exploration would consist of:

Stage I:

Planning: office, on-site, control survey, engineering outline of underground work, letting of contracts.

Stage II:

Execution: preparation, camp, site, facilities, mining operation, sampling, roundmuck and muck sample storage, assaying.

Stage III:

Target Exploration: planning orientation of drifting and crosscutting operations, execution mining on vein and careful sampling and storage, planning fan drilling layout and site preparation, execution test drilling of vein structures.

Stage IV

Evaluation: funding should be arranged for a) data compilation, evaluation, recommendation, b) mining operation to open up further drill stations etc.

Areas of detail planning are as follows:

- 1). Surveying - accurate survey control must be established, possibly via Tellurometer triangulation of selected Bench Marks on the face of the Mountain. This should provide horizontal and vertical control necessary to spot the portal and aim the adit.
- 2). Mining Contract - must be let by bidding after the engineered plan and section of the proposed adit has been finalized. Several quotations should be received and input from the contractors be incorporated in any changes of the planned adit orientation.
- 3). Access road and mine site construction in the vicinity of the protected south side of the snow and rock slide must be decided upon and carried out in such a manner that road access is available, buildings can be constructed, and round by round muck storage is available.
- 4). Sampling and assay techniques to be studied and organized, on site assaying facilities prepared.
- 5) Camp location and river crossing to be discussed.

DURATION

Estimating an 8' x 8' (2.44 m square) plus 10% incline adit to be driven @ 30 feet (9 m) advance per 24 hours, a drive length of 1000 feet (300 m) could be achieved in 40 day's operation, to commence once camp and mine facilities have been established. Diamond drilling could start once drill stations have been established.



Vic Property - TasekoESTIMATED COSTS

The following estimates are based on these parameters.

- a) The mining and drilling contractors shall establish and operate all facilities.
- b) The property owners shall provide supervision and engineering control on the project.
- c) The estimates are based on driving 305 meters (1000 feet) of adit, of which 198 meters (650 ft) would probe the vein system.
- d) The fan drilling program would consist of 610 meters (2000 ft) of underground drilling.
- e) Unit contract costs of \$100 per 0.3 meters (1 foot) of 8' x 8' 10% incline adit (2.44 x 2.44 meters) and \$15 per 0.3 m BQWL underground drilling.
- f) Sampling and assay control using face samples.

STAGE I

## Establishment and Evaluation of Engineering Data

Office	\$ 3,000	
On-site	2,000	
Control survey	5,000	
Facilities Establishment	<u>10,000</u>	
		\$20,000

STAGE II

Operation: Access Drive

Access drive 400' (122 m) @ \$100 \$40,000

Engineering and control 10,000

\$50,000

STAGE III

Operation: Vein Drift

Vein drift 600' (183 m) @ \$100 \$60,000

Vein raises, crosscuts &  
drill stations 30,000

Full Assay Control 20,000

Engineering & Control 10,000

\$120,000

Operation: Fan Drilling

U/G BQWL D. Drilling 2000'  
(610 m) @ \$15/ft. \$30,000

Assays 5,000

Engineering & Control 5,000

\$40,000

STAGE IVEvaluation 10,000Total Estimated Cost of Program \$240,000

Respectfully submitted,

November 24, 1977

GERHARD VON ROSEN, P.Eng

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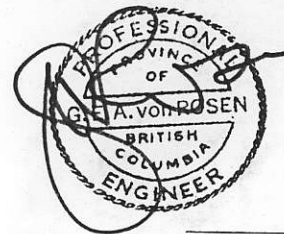
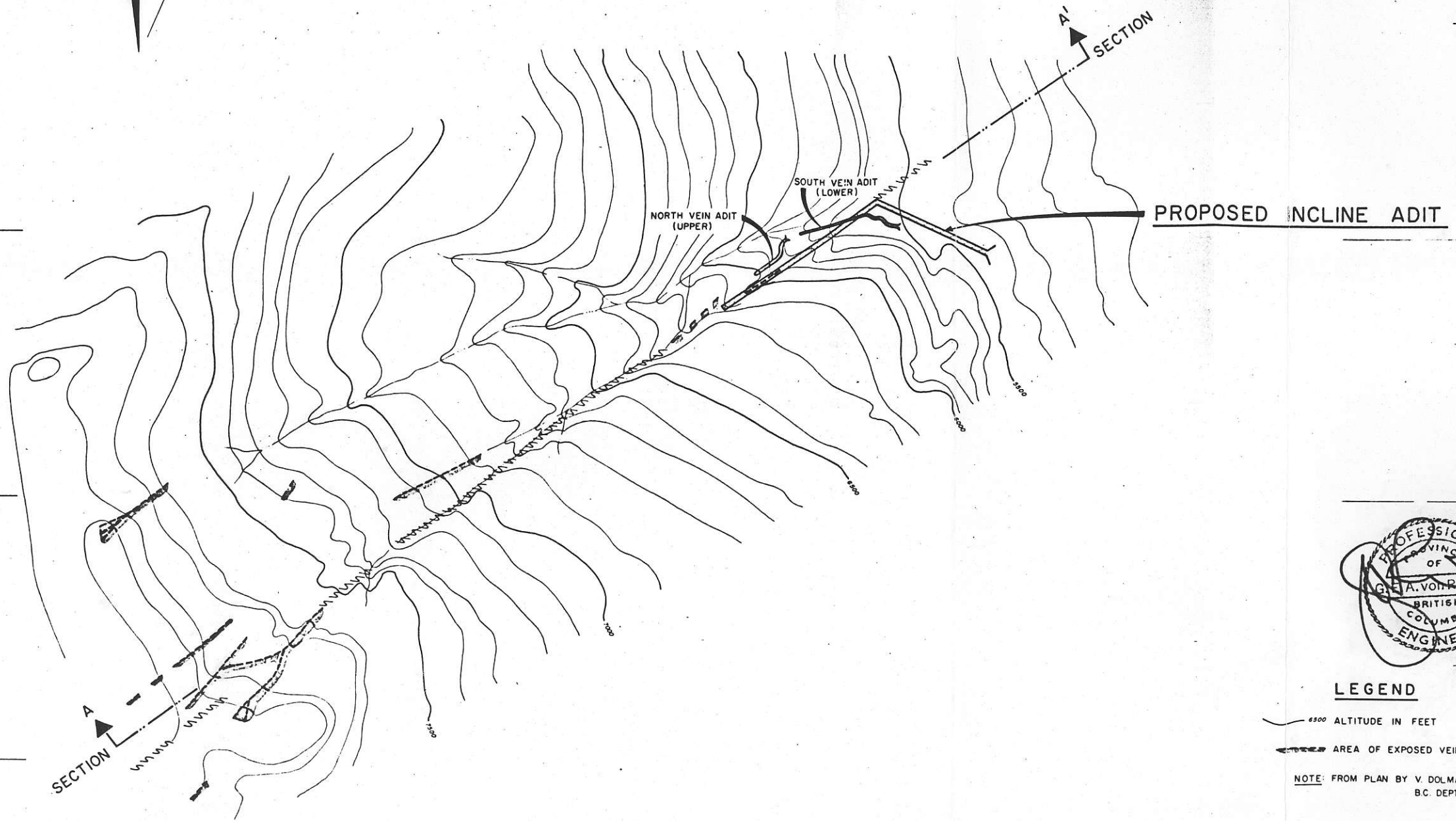
CERTIFICATE OF QUALIFICATIONS

I, Gerhard Ernst Alexander von Rosen, of the City of Mission, British Columbia, hereby certify as follows:

1. I am a consulting geologist with offices at 422 - 510 West Hastings Street, VANCOUVER, B. C. V6B 1L8
2. I am a registered Professional Engineer of British Columbia. I graduated from the University of British Columbia in 1962.
3. I have practiced my profession for fourteen years.
4. I have no direct or indirect interest nor do I expect to receive any in the mining property described in this report, or in the securities of Gilford Mines Ltd. or any of its affiliates.
5. I base this report on my personal examinations of the property July - August 1974 and October 1975, as well as pertinent information provided by International Pyramid Mines Inc. and other sources listed in the references.
6. I consent to the use of this report in, or in connection with a Prospectus, or in a Statement of Material Facts.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of November, 1977.

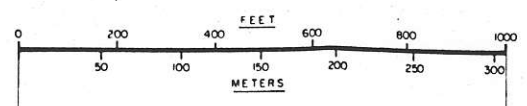
GERHARD VON ROSEN, P.Eng.



**LEGEND**

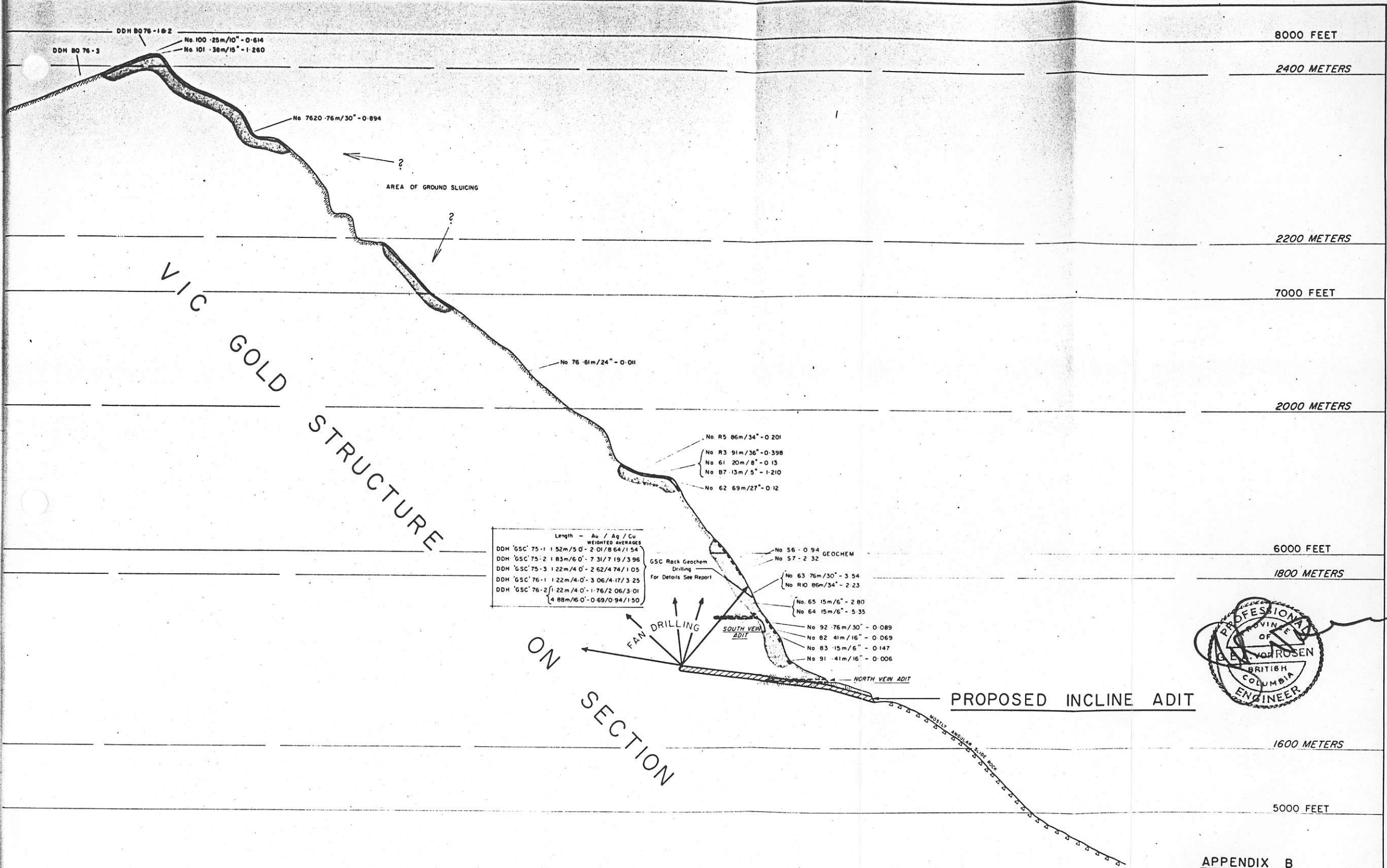
- 6500 ALTITUDE IN FEET
- AREA OF EXPOSED VEIN

NOTE: FROM PLAN BY V. DOLMAGE & R.K. MATHESON, B.C. DEPT. OF MINES, 1935.



**APPENDIX A**

GILFORD MINES LTD. VANCOUVER
<b>VIC GOLD PROPERTY</b> TASEKO LAKE, B.C. 92° 0' 5 E. 51° 22 1/2' N, 123° 37 1/2' N
<b>TOPOGRAPHIC PLAN</b> SHOWING <b>PROPOSED ADIT LOCATION</b>
GEAREX ENGINEERING G. von Rosen, P. Eng. November, 1977



VIC GOLD STRUCTURE

8000 FEET  
2400 METERS  
2200 METERS  
7000 FEET  
2000 METERS  
6000 FEET  
1800 METERS  
1600 METERS  
5000 FEET

AREA OF GROUND SLICING

Length	Au	Ag	Cu
WEIGHTED AVERAGES			
DDH 'GSC' 75-1	1.52m/5'0"	2.01/8'6 1/4"	1.54
DDH 'GSC' 75-2	1.83m/6'0"	7.31/7'19 1/3"	3.96
DDH 'GSC' 75-3	1.22m/4'0"	2.62/4'7 1/4"	1.05
DDH 'GSC' 76-1	1.22m/4'0"	3.06/4'17 1/3"	3.25
DDH 'GSC' 76-2	1.22m/4'0"	1.76/2'06 3/4"	3.01
	4.88m/16'0"	0.69/0'94 1/2"	1.50

GSC Rock Geochem  
Drilling  
For Details See Report

FAN DRILLING

- No. R5 86m/34" - 0.201
- No. R3 91m/36" - 0.398
- No. 61 20m/8" - 0.13
- No. B7 13m/5" - 1.210
- No. 62 69m/27" - 0.12

- No. 56 - 0.94
- No. 57 - 2.32

- No. 63 76m/30" - 3.54
- No. R10 86m/34" - 2.23

- No. 65 15m/6" - 2.80
- No. 64 15m/6" - 5.35

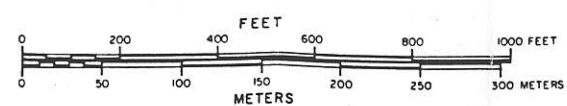
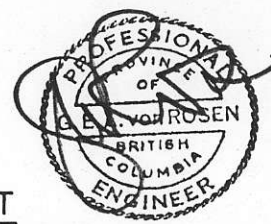
- No. 92 76m/30" - 0.089
- No. 82 41m/16" - 0.069
- No. 83 15m/6" - 0.147
- No. 91 41m/16" - 0.006

SOUTH VEIN ADIT

NORTH VEIN ADIT

PROPOSED INCLINE ADIT

ON SECTION



**LEGEND**  
Sample No. meters/inches Gold oz/Ton  
No. 91 76 / 30" - 3.54  
- EXPOSED VEIN

**APPENDIX B**  
GILFORD MINES LTD.  
VANCOUVER  
**VIC GOLD PROPERTY**  
TASEKO LAKE, BC.  
92° 0' 5 E : 51° 22 1/2 N, 123° 37 1/2 N  
**SECTION A-A'**  
**LOOKING N.W.**  
GEAREX ENGINEERING  
G. von Rosen, P. Eng. November, 1977