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681418

GILLIAN MINES LTD.  
GOOSLY LAKE PROPERTY  
OMINECA MINING DIVISION

R. R. CULBERT, PhD, P.Eng.

12 November, 1976.

811188

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## Introduction

Examination and evaluation of Gillian Mines Ltd. property located near Goosly Lake, British Columbia, was authorized by J.P. Stevenson. The area was visited by the writer in early November of 1976 at which time available outcrop was examined. In addition to the field examination, reports of previous work were reviewed and valuable information was obtained through discussions with John Barakso and Dr. K.I. Lu, who had worked on the property previously.

## Claims Location and Access

Gillian Mines Ltd. property consists of five contiguous claims comprising sixty units. This claim block is located about two miles southwest of Goosly Lake and twenty-five miles southeast of Houston, British Columbia. Access is by way of Buck Creek Road from Houston. A map showing the claims relative to local topographic features follows this page. The Gillian property includes:

<u>CLAIM</u>	<u>RECORD NO.</u>	<u>NO. OF UNITS</u>
DOUGLAS 1		12
LOYD	238(2)	8
LOYD NORTH	239(2)	14
DIANE	249(3)	6
GILLIAN WEST	205(1)	12
GILLIAN EAST	204(1)	8

## Geology

Geology of the Owen Lake, Parrott Lakes and Goosly Lake area has been described in a recent publication by Church \*. He shows the region underlain by "... a diverse suite of Mesozoic and Tertiary volcanic rocks and a number of small intrusions...".

Drill cuttings and what little outcrop is available from the Gillian property show the claims to be underlain by tuffs and flows intruded on the west by a moderately basic stock. This intrusive apparently contains K-feldspar in sufficient amounts to be classified, at least in part, as a syenogabbro.

In the vicinity of this stock some "green patch tuffs" outcrop (cf. green tuffs of Kuroko districts in Japan) which attests to the submarine character of at least some of the volcanics. These tuffs become courses to the south. West and north-west of the intrusive the terrain drops into a broad, swampy valley without outcrop. Beyond this is a low, circular hill on whose east flank shallow trenching exposes brecciated "rhyolite". The brecciated material consists of angular

\* Church (1970); Geology of the Owen Lake, Parrott Lakes and Goosly Lake Area, G.E.M., pp. 119 - 125.

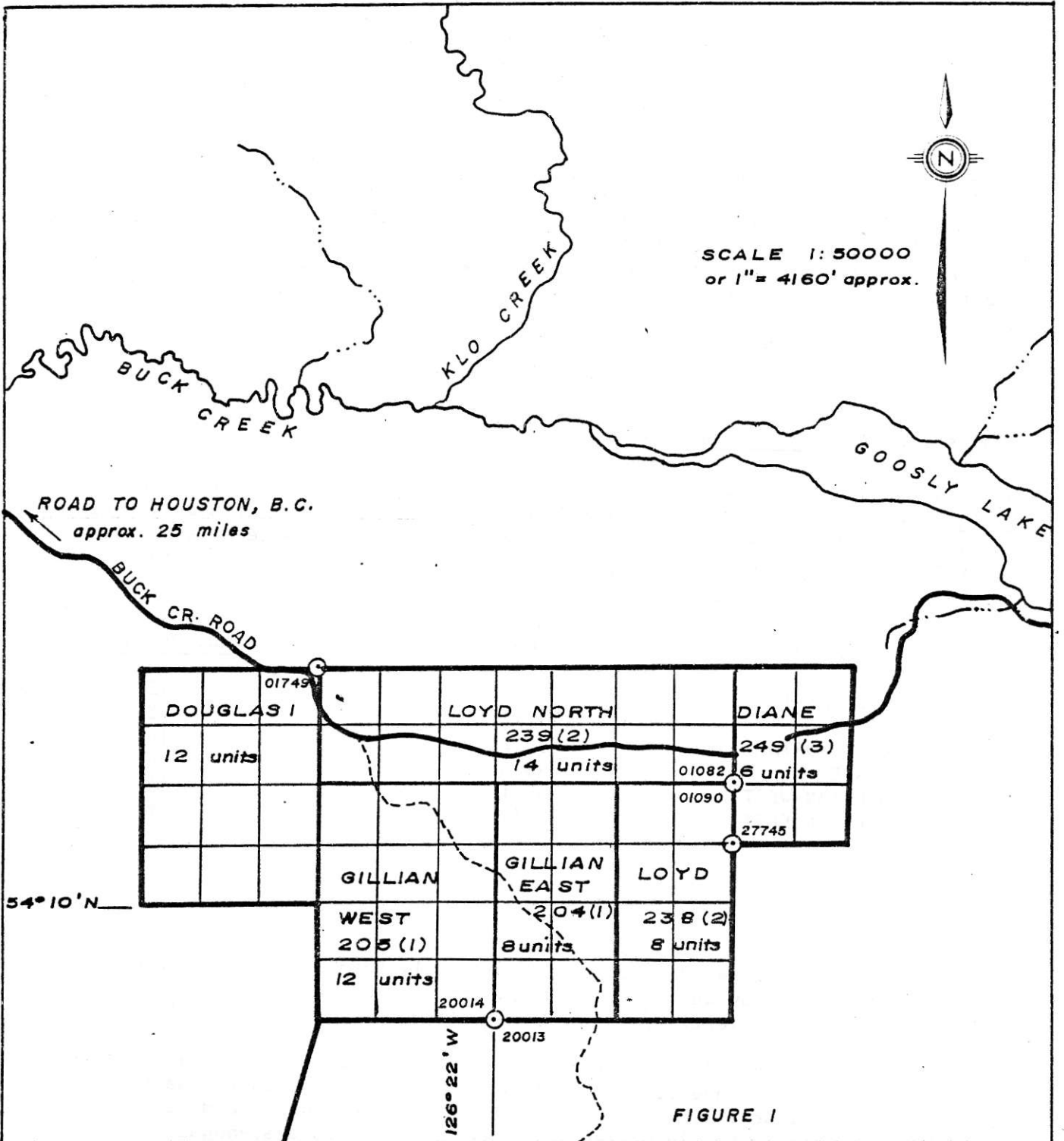
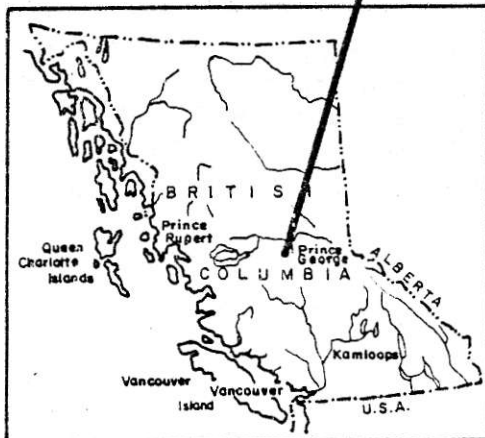


FIGURE 1



British Columbia	
GILLIAN MINES LTD.	
GILLIAN PROPERTY - GOOSLY LAKE AREA	
MINING DIVISION: OMINECA	
PROPERTY LOCATION & CLAIM MAP	
MAP REFERENCE: 93 L / 1 W	
COORDINATES: 54° 10' N, 126° 22' W	
MERIN MANAGEMENT LTD.	NOVEMBER 1976

white clasts surrounded by a matrix of quartz and a dark clayey substance which likely includes fine pyrite. The breccia grades into massive and flow laminated rhyolite to the east.

Since the rhyolite and particularly the breccia are of central interest, a few comments are warranted. The rhyolite coincides with part of a larger positive geographic feature, circular in form, which suggests a volcanic dome. This could be proven, or otherwise, by a series of shallow hand or bulldozer trenches.

The breccia is composed of angular clasts of relatively intensely altered material - especially through sericitization - and is therefore a true "white rhyolite breccia". It is unlikely to have formed by steam explosion but rather by some autogeneous process. Gravity collapse during dome growth, flow top brecciation or intrusion brecciation are three possibilities.

Float in the western part of the property is dominantly pyroclastic, often acidic and with pyrite. Such rock is not seen in the eastern property float. Some of the tuffs show strong alteration.

#### Previous Work

The Gillian Property has been tested by soil geochemistry, an I.P. survey, two VLF-EM surveys and 11 drill holes with multielement geochemistry.

Three of the holes lie adjacent to the basic intrusive stock on east side of the property, and the others are clustered in the valley immediately northeast of what may be a rhyolite dome. Swampy conditions here apparently did not allow stepping out of these holes, and a winter program should be considered for any further drilling. As a possible guide to nearby mineralization, the holes were sampled at 10 ft. intervals and analysed for Cu, Pb, Zn, Ag, As, Hg and Mn. The results, and cumulative frequency diagrams as compiled by J. Barakso, are given as an appendix. The anomalies, while of no great intensity or clear patterns, are considered significant for rock geochemistry within rhyolites adjacent to a possible dome. Alteration and pyritization was also encountered in this drilling. The three drill holes near the basic stock were short and did not explain an I.P. anomaly in this area. They did encounter lapilli tuffs, however, with fairly high rock - geochemistry values. This tuff and the intrusive are clearly similar to lithologies at the Sam Goosly deposit.

Three of the VLF-EM lines in a survey by G. Stanley (see appendix) show interesting cross-overs in the area immediately east of the possible dome, which is geologically a favorable setting for a Kuroko deposit. This should be given attention, but in view of the deep overburden (including pyritic clays) encountered in drilling and the likelihood of fracture systems in this area, VLF-EM is difficult to interpret. In searching for massive sulphide bodies here, a more discriminating EM system is recommended - at least "shootback" and preferably TURAM.

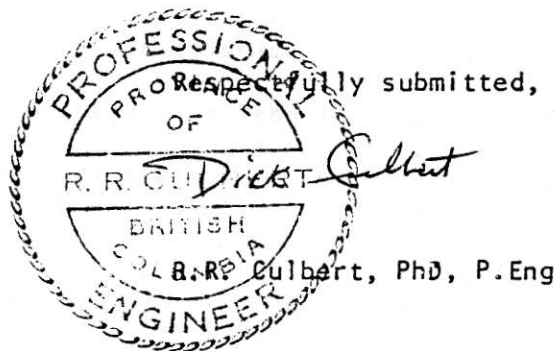
Conclusions and Recommendations

The Gillian Property lies within a metalliferous belt and has potential for volcanogenic massive sulphide ore. The area of main interest coincides with the exposure of massive and brecciated rhyolite located near the centre of the property. Rock and soil geochemical anomalies and VLF-EM cross-overs occur here and the geological environment seems right for a Kuroko type deposit. Economic mineralization might occur within rhyolite breccia or on the flanks of the inferred dome.

The following program with estimated costs is recommended:

(1) Systematic mapping of float by a geologist familiar with Kuroko geology	\$ 2,000.00
(2) Trenching of shallow overburden over the central hill to obtain more geological information about the rhyolite	5,000.00
(3) An E.M. survey using a relatively large unit, a shootback or TURAM system	9,000.00
(4) In the area around the "rhyolite dome" 30 - 40 drill holes for overburden and rock geochemistry 35 x 200 feet @ \$6.00/foot	42,000.00
Contingencies 10%	<u>5,000.00</u>
TOTAL	<u><u>\$63,000.00</u></u>

November 12, 1976



Certification

I, R.R. Culbert, do hereby certify that:

1. I am a practicing Professional Geological Engineer with offices at 3152 West 10th Ave., Vancouver, B.C.
2. I am a graduate of the University of British Columbia, B.A.Sc. (1964), PhD (1971).
3. I have practiced mining exploration for fifteen years, most of which were based in British Columbia.
4. I am a member in good standing of the Association of Professional Engineers of the Province of British Columbia.
5. This report is based on my examination of the Gillian Mines Ltd. Goosly Lake property together with a review of pertinent data and discussions with geologists who were involved with previous work.

Respectfully submitted,

*R.R. Culbert*

R.R. Culbert, PhD, P.Eng.

November 12, 1976

APPENDIX "A"

Geochemical, Geophysical and Geological Data  
(Includes Compilation Map In Pocket)  
Compiled by John Barakso for Gillian Mines Ltd.

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HOLE SUMMARIES REPORT  
of  
PERCUSSION DRILLING PROGRAM  
October 2 - 15, 1976  
for  
GILLIAN MINES LTD.

- PG1 Collared in breccia on acidic volcanic outcrop -90° alternating green and grey-green and cream rocks with micro brecciation features common in chips; chert common; minor pyrite. Chloritic, saussuritization alteration.
- PG2 East of PG1 -45° southerly (approximately 170°) on breccia similar to rocks of PG1 with less cream coloured minor pyrite.
- PG3 West of PG1 -45° southerly (210°) overburden eighteen feet. Similar to PG1 rocks, slightly more pyrite than PG1.
- PG 4 North of outcrop PG1 - 3, fifty-eight feet of overburden -45° (205°) creamy white rock chips of acidic volcanics almost throughout hole. Significantly more pyrite than previous holes - rock highly altered (argillic) locally and mildly pervasive argillic alteration throughout.
- PG 5 Drilled from same set-up as PG 4 -90° top of hole similar to hole PG4 but remainder similar to PG1 - 3. Pyrite stronger in this hole than any previous (up to 2% rock-chip volume).
- PG 6 Approximately 50 feet north PG5 -90° overburden approximately sixty-five feet alternating creamy and green acidic volcanics, rare pyrite.
- PG 7 Approximately 150 feet at 120° from PG4 and 5 -45° (225°). Similar to hole PG5 (in lower part). Pyrite.
- PG 8 Same set up as PG7 similar to hole PG4. Pyrite common some very altered sections - "clay balls" common.

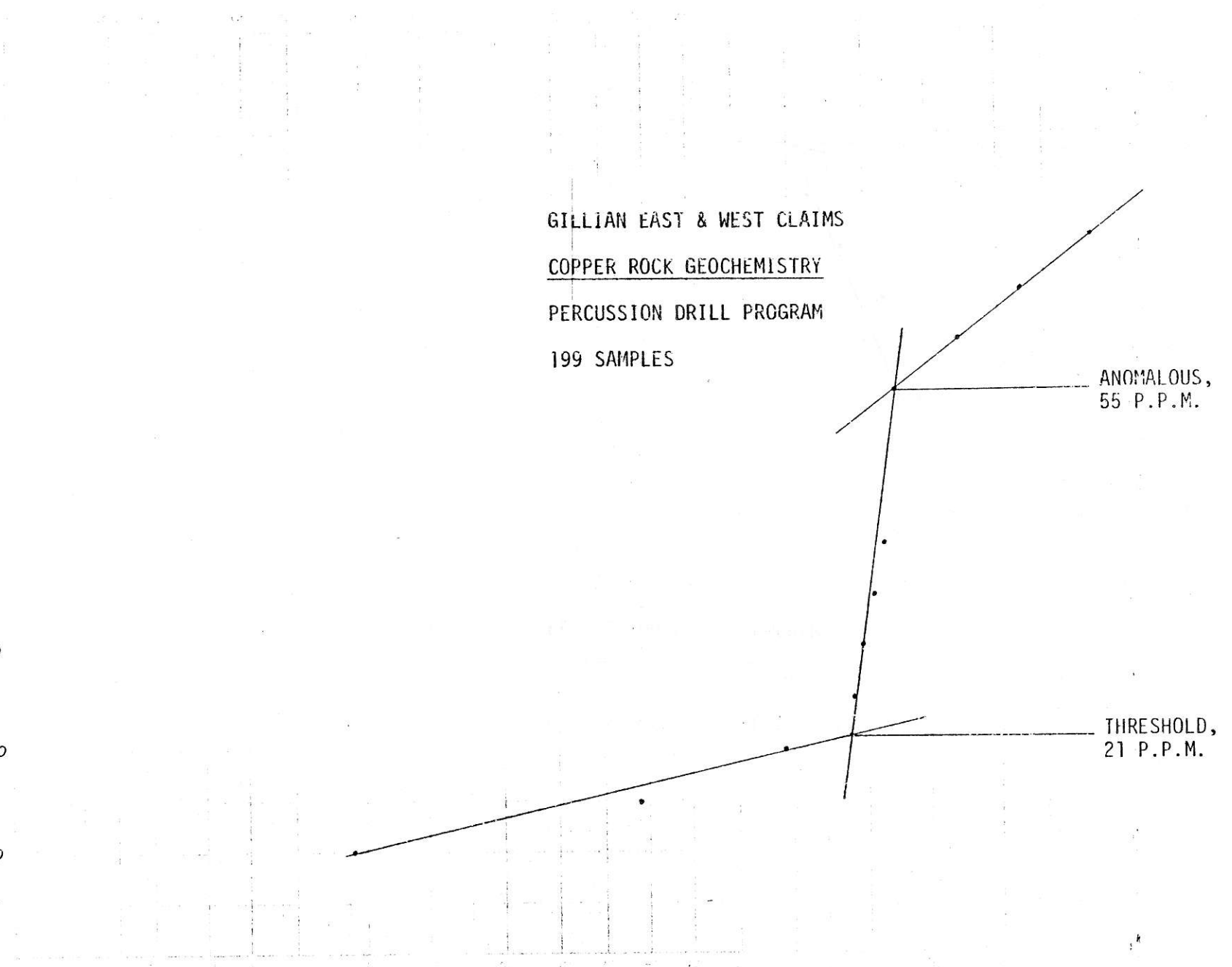
COPPER VALUES IN P.P.M.

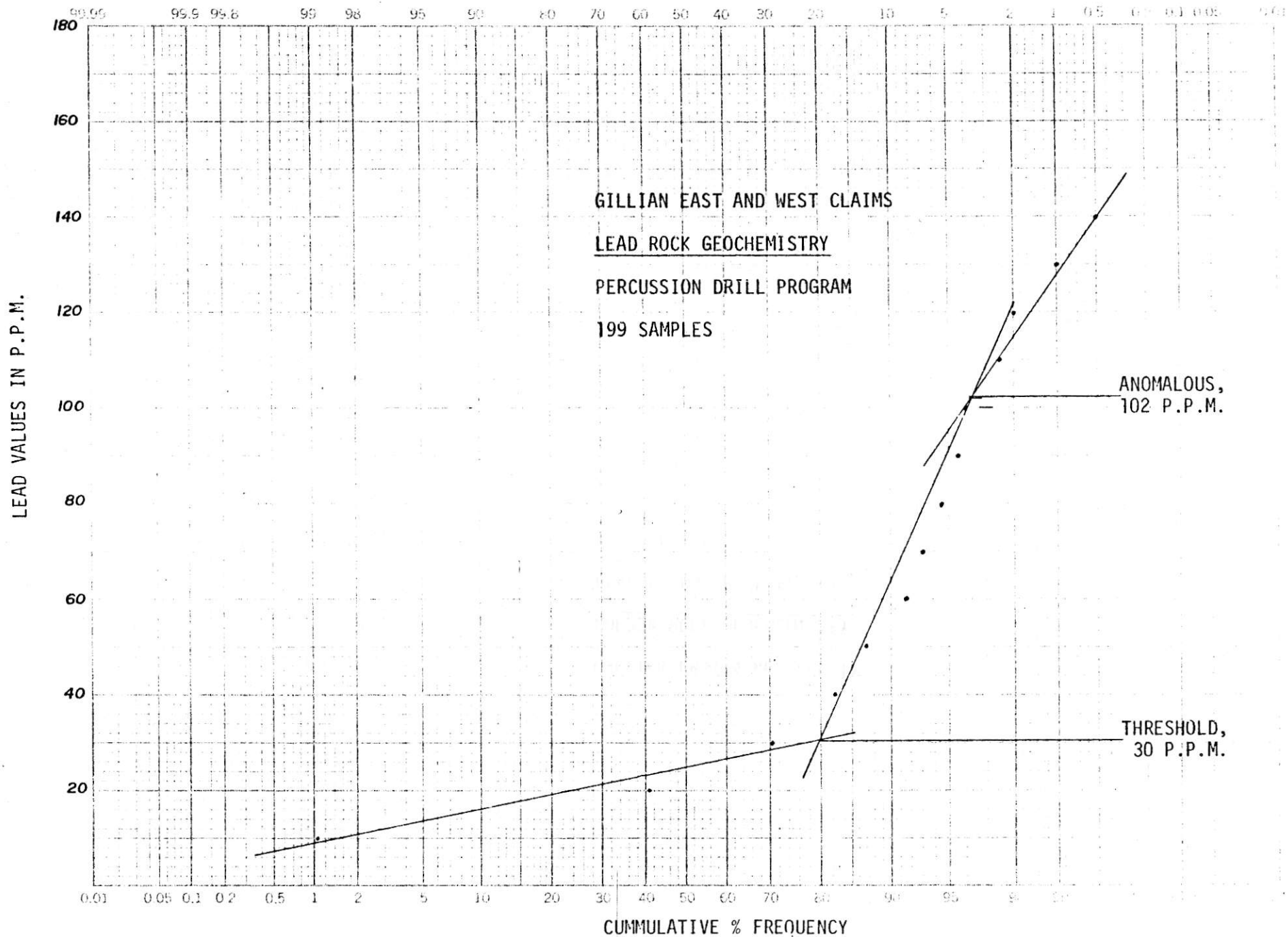
GILLIAN EAST & WEST CLAIMS  
COPPER ROCK GEOCHEMISTRY  
PERCUSSION DRILL PROGRAM  
199 SAMPLES

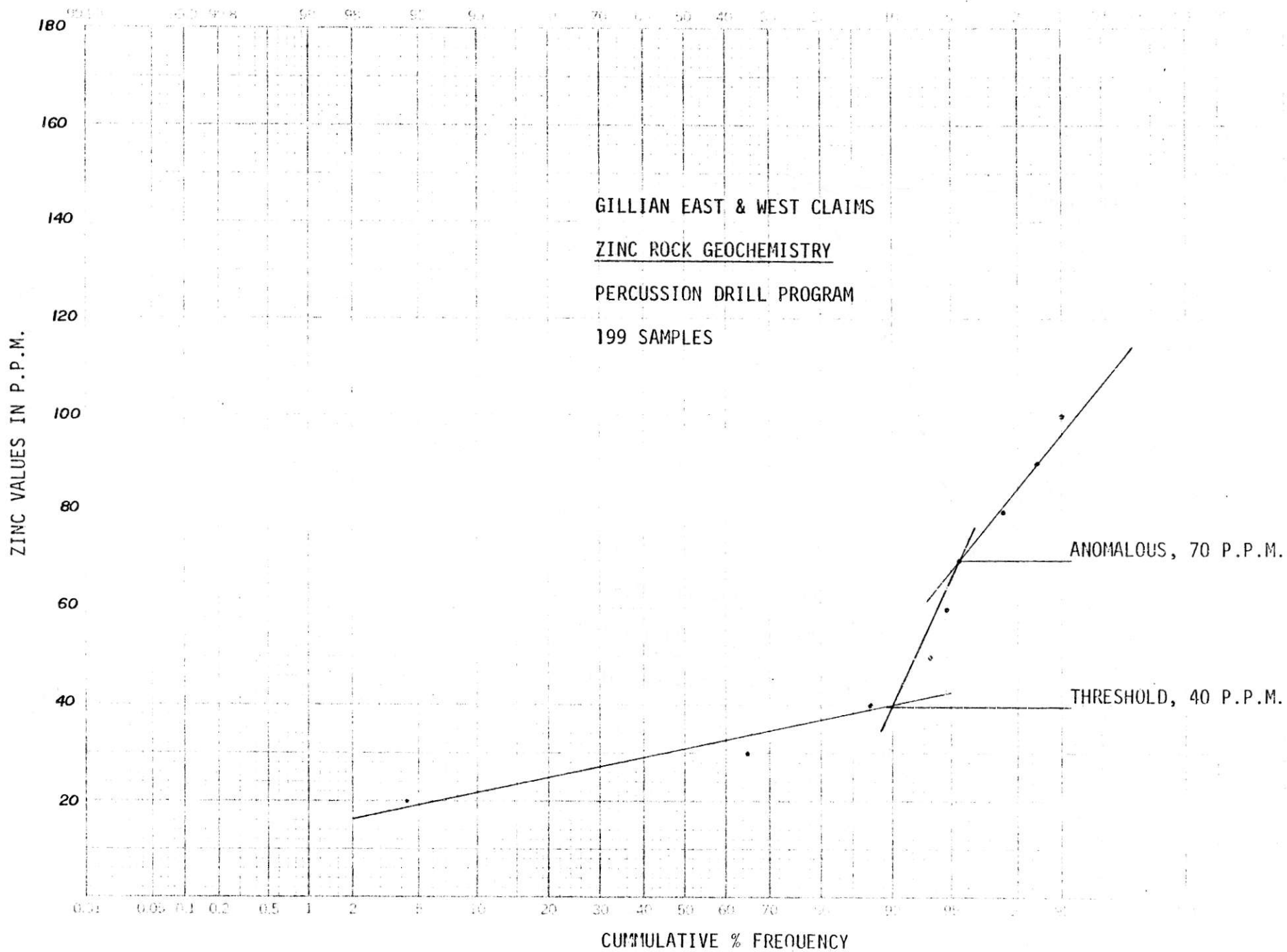
ANOMALOUS,  
55 P.P.M.

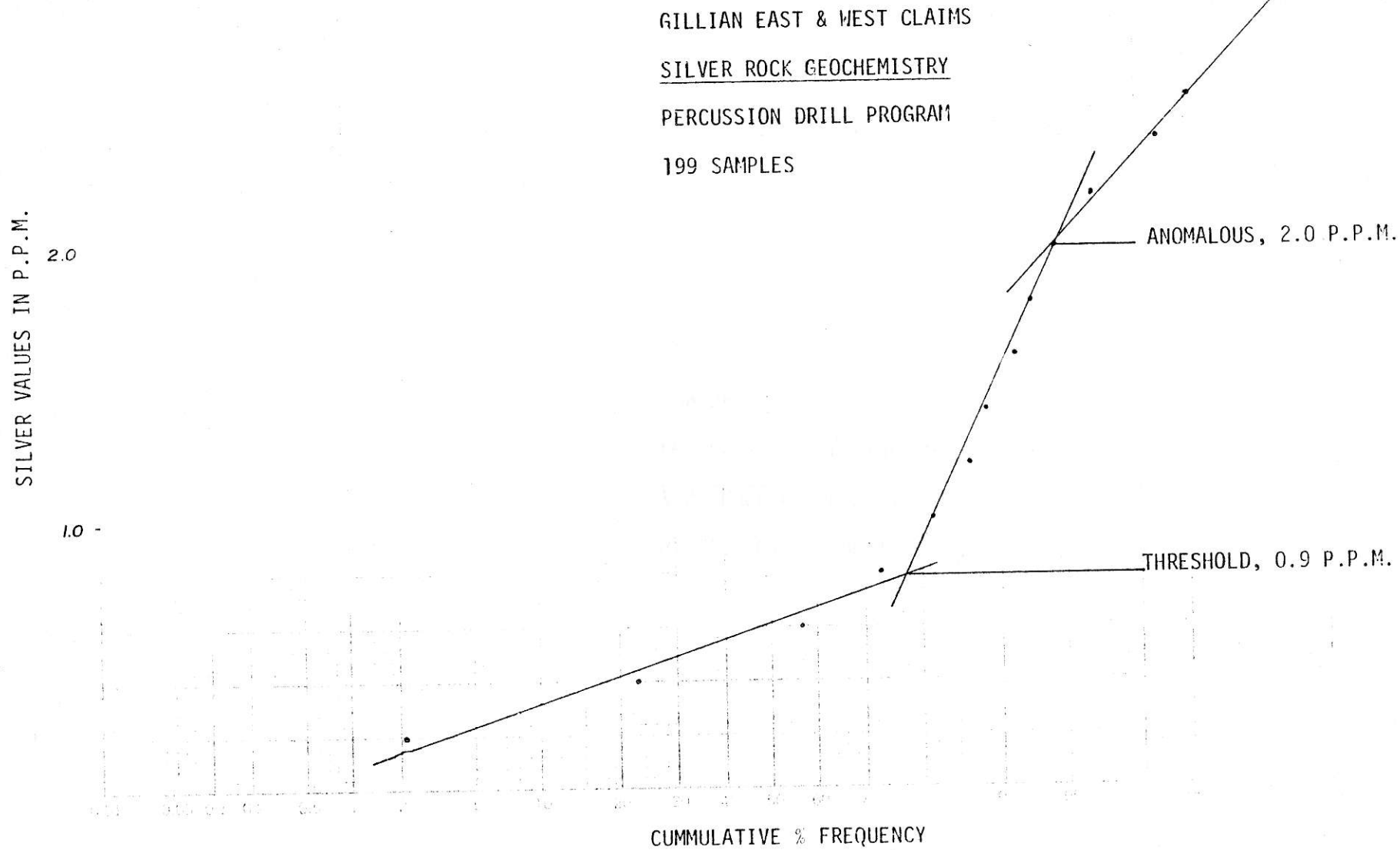
THRESHOLD,  
21 P.P.M.

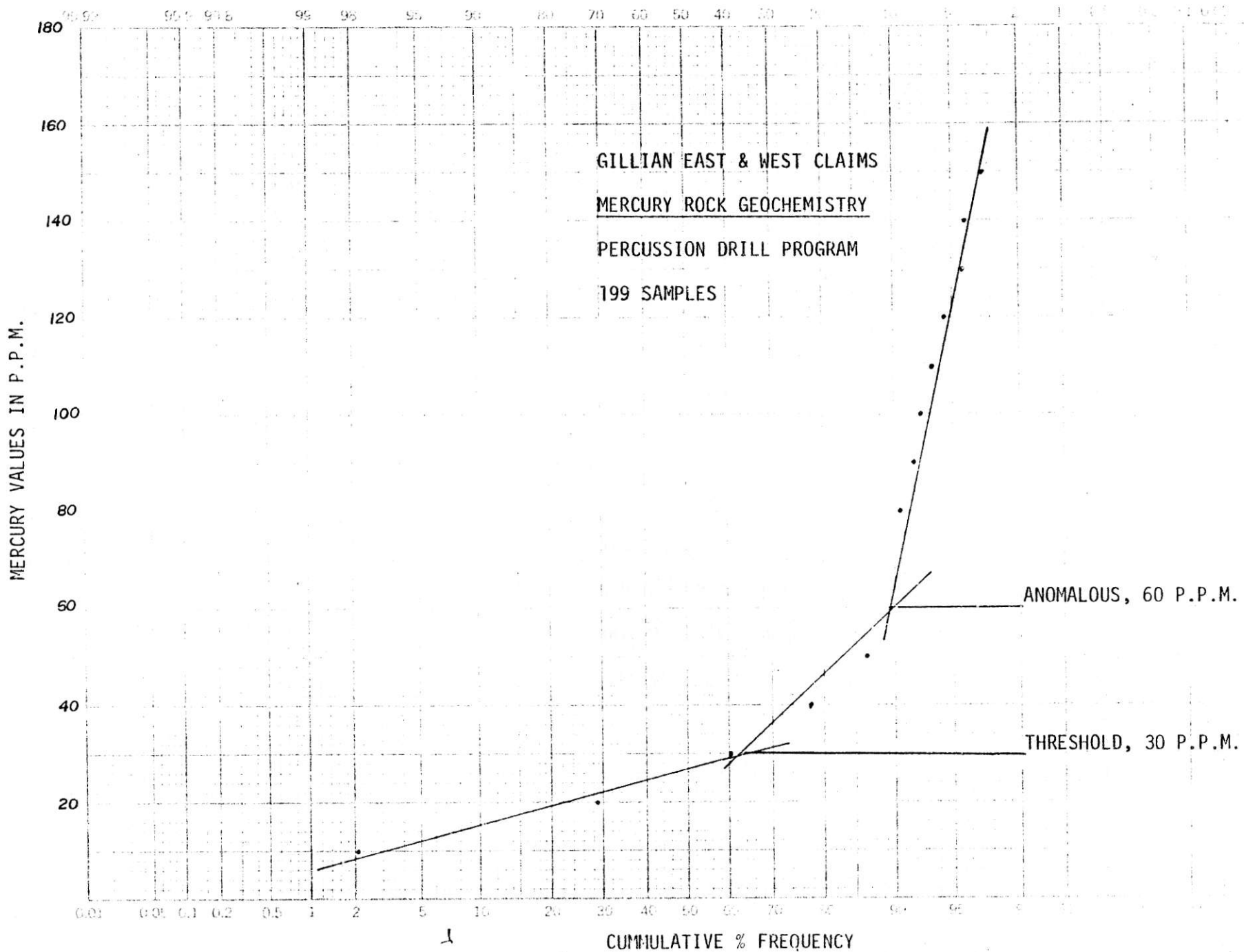
CUMULATIVE % FREQUENCY









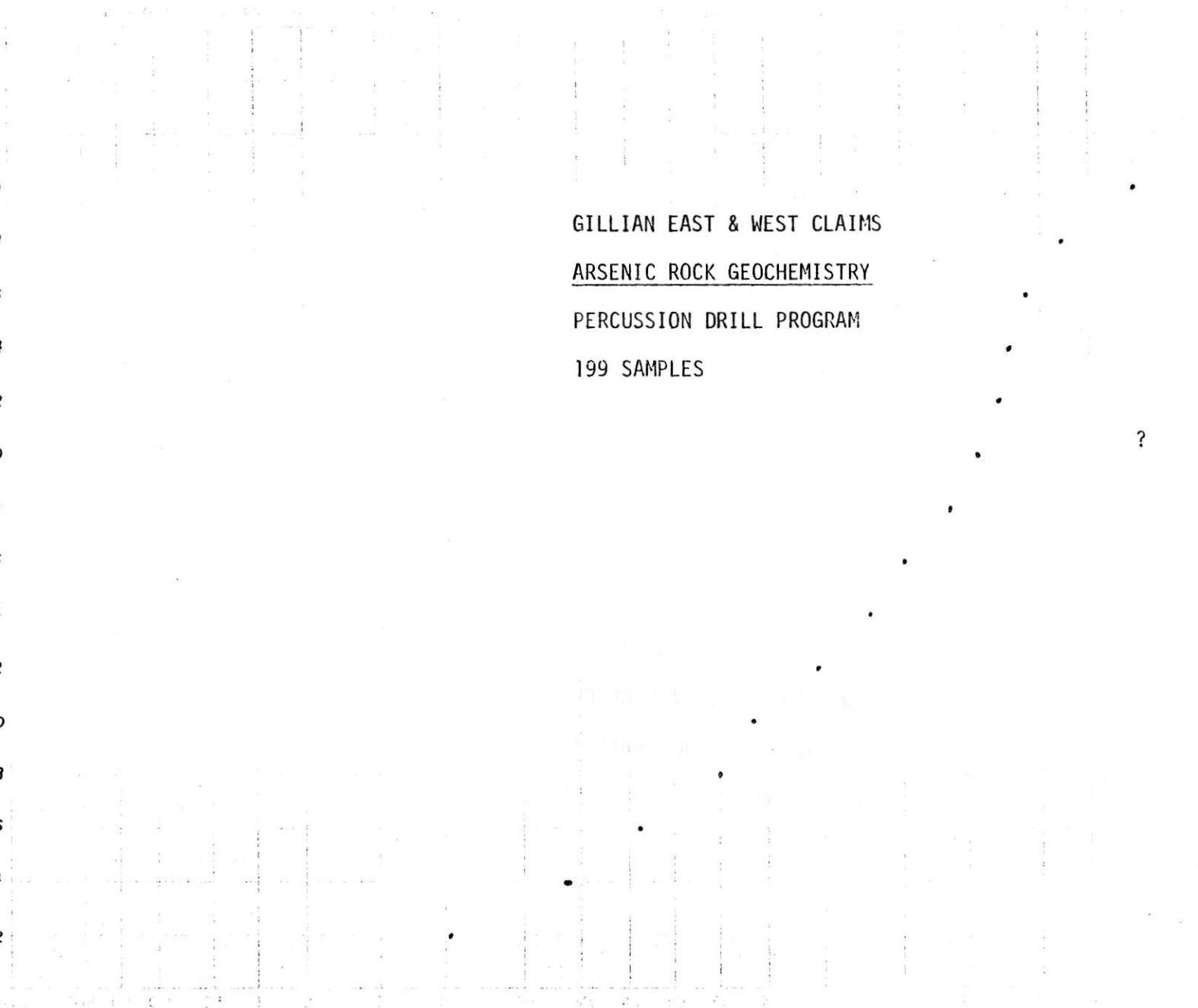


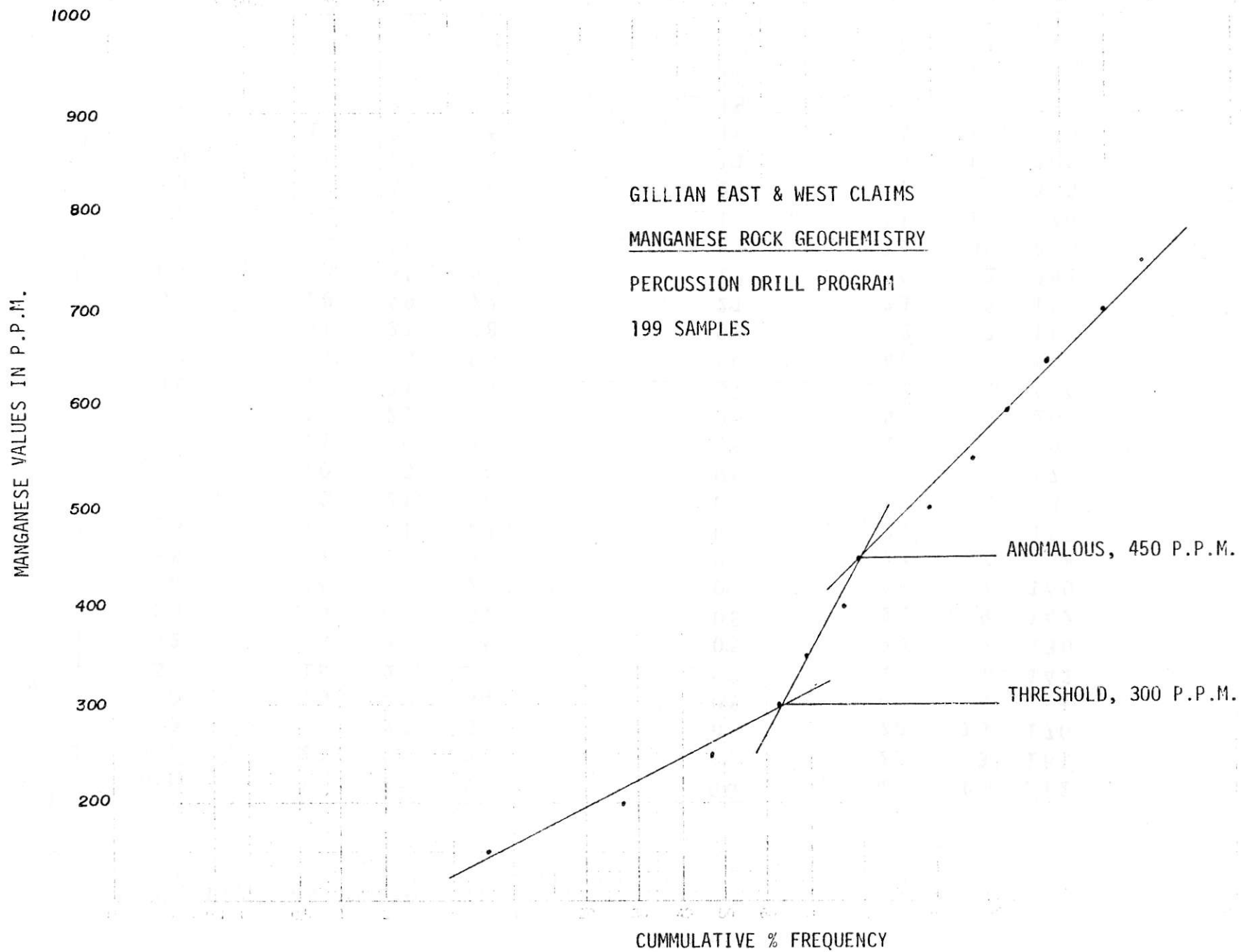
ARSENIC VALUES IN P.P.M.

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GILLIAN EAST & WEST CLAIMS  
ARSENIC ROCK GEOCHEMISTRY  
PERCUSSION DRILL PROGRAM  
199 SAMPLES

CUMMULATIVE % FREQUENCY







COMP

Gillian Mines

## GEOCHEMICAL ANALYSIS DATA SHEET

2970

PROJECT No.:

MIN - EN Laboratories Ltd.

DATE: Oct 28

ATTENTION:

Paul Stevenson

225 WEST 15th ST., NORTH VANCOUVER, B.C. V7M 1T2  
PHONE (604) 980 5814

1976.

Sample Number	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ni ppm	Co ppm	Ag ppm	Fe ppm	Hg ppb	As ppm	Mn ppm	Au ppb				
61	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	
Pb1 1001		16	28	55			06		49	13	212					
02		23	90	39			07		22	3	161					
Pb3 8c-90 49		17	29	35			05		70	13	170					
50		16	21	34			08		46	5	151					
51		16	22	38			09		43	7	142					
52		15	21	25			05		29	9	130					
53		15	42	37			08		22	9	142					
54		14	20	28			07		25	7	140					
55		11	21	36			07		22	7	148					
56		10	21	22			05		25	7	148					
57		12	21	24			06		40	5	180					
58		10	28	24			06		33	9	170					
59		11	29	30			06		46	5	208					
60		12	21	28			05		57	5	208					
Pb4 61		17	21	56			07		212	7	510					
62		24	26	99			50		40	11	180					
63		31	21	38			09		22	17	147					
64		18	49	72			21		33	5	150					
65		23	35	61			12		14	2	291					
66		22	49	165			23		18	30	470					
67		16	32	45			15		11	11	370					
68		25	46	154			29		7	15	340					
69		15	20	38			11		7	13	260					
70		17	27	56			16		14	17	275					
71		17	25	46			14		14	17	320					
72		18	22	40			10		22	13	312					
73		16	28	59			20		14	11	320					
74		14	28	40			09		18	11	355					
75		16	30	48			21		22	30	595					
1076		23	32	66			09		25	11	460					

CERTIFIED BY:

*D. J. [Signature]*

PROJECT NO.

FIN - EN Laboratories Ltd.

DATE: Oct 28,  
1976.

ATTENTION:

Paul Stevenson

1000 FLYING WING BLVD. SUITE 111  
MILWAUKEE, WISCONSIN 53219

Sample Number	Mn ppm	Cu ppm	Pb ppm	Zn ppm	Fe ppm	As ppm	Co ppm	Hg ppm	Ag ppm	Mo ppm	Au ppm	Bi ppm	Se ppm	Te ppm	U ppm	V ppm	W ppm	Xe ppm
1112		16	14	25		04		29	8	295								
13		17	13	24		04		36	9	260								
14		12	12	17		03		43	8	220								
15		13	17	30		03		22	6	435								
16		12	14	35		04		39	12	430								
17		16	14	31		02		36	3	355								
18		15	12	28		03		22	4	370								
19		18	15	30		03		15	3	465								
20		21	20	34		04		26	4	485								
21		20	14	31		06		22	12	385								
22		19	13	28		06		15	12	390								
23		15	27	36		06		22	4	300								
24		14	128	35		03		18	6	225								
25		15	12	34		03		8	8	220								
26		14	14	30		04		22	8	215								
27		13	21	33		06		22	5	230								
28		14	32	30		06		29	3	215								
29		12	15	24		04		18	5	225								
30		12	19	29		05		22	5	225								
31		13	14	31		03		15	9	250								
32		11	20	49		04		15	7	255								
33		12	18	31		04		11	3	290								
34		12	14	25		04		15	5	300								
35		14	23	25		03		22	5	255								
36		11	27	32		03		22	7	190								
37		11	17	26		03		18	2	220								
38		11	13	20		02		15	11	170								
39		12	15	25		03		29	8	255								
40		14	14	26		03		33	5	210								
1141		23	11	22		02		22	11	150								

TESTED BY: J. M. Wain

COMPAN

Gillian Mines

GEOCHEMICAL ANALYSIS DATA SHEET

2970

PROJECT No: \_\_\_\_\_

MIN - EN Laboratories Ltd.

DATE: Oct 25,

ATTENTION: **Paul Stevenson**

705 WEST 5TH ST. NORTH VANCOUVER, B.C. V7W 1T2

PHONE (604) 980-5814

1976.

Sample Number	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ni ppm	Co ppm	Ag ppm	Fe ppm	Hg ppb	As ppm	Mn ppm	Au ppt
6	10	15	20	25	30	35	40	45	50	55	60	65
81	86	90	95	100	105	110	115	120	125	130	135	140
145	150	155	160									
1108		10	13	32			05		29	8	232	
09		15	12	27			06		40	6	361	
11		14	16	21			10		33	17	219	
1111 Dup		13	19	20			08		36	14	189	
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p65

CERTIFIED BY: *Paul Stevenson*

CLIENT: Paul Stevenson

Sample Number	Mg	Cu	Pb	Zn	Fe	Co	Zr	Be	Hf	As	Mo	Au
	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
1077		23	62	80			21		33	11	716	
78		18	30	69			10		11	5	654	
79		17	33	49			09		11	11	495	
80		19	23	46			10		11	15	410	
81		19	41	51			08		11	32	382	
82		17	42	52			07		14	17	370	
83		15	38	47			10		14	13	285	
84		18	38	44			08		11	7	181	
85		15	38	36			08		14	13	141	
86		19	39	61			07		11	5	368	
87		14	30	50			08		14	11	312	
88		25	60	58			08		11	15	350	
89		15	38	40			06		11	13	310	
90		18	35	46			04		18	13	340	
91		19	30	40			10		18	15	479	
92		16	27	40			07		14	13	450	
93		20	28	51			06		22	22	440	
94		18	30	40			06		18	17	460	
95		14	29	37			11		22	32	500	
96		17	30	45			09		22	15	610	
97		18	31	48			14		11	15	629	
98		14	29	44			10		14	24	668	
1099		18	30	56			11		11	21	569	
1100		20	29	56			08		11	15	580	
01		13	27	49			07		11	3	657	
03		10	16	30			04		14	11	270	
04		18	20	28			05		14	2	272	
05		11	15	20			05		43	19	198	
06		12	18	17			05		14	11	157	
1107		10	20	23			04		22	7	146	

*D. Hillier*

PROJECT No: \_\_\_\_\_

**MIN - EN Laboratories Ltd.**

DATE: **Oct 25,**

ATTENTION: **Paul Stevenson**

705 WEST 15TH ST., NORTH VANCOUVER, B.C. V7M 1T2  
PHONE (604) 980-5814

**1976,**

*Plg 6*

Sample Number	Mo ppm 86 90	Cu ppm 95 100	Pb ppm 105 110	Zn ppm 115 120	Ni ppm 125 130	Co ppm 135 140	Ag ppm 145 150	Fe ppm 155 160	Hg ppb 165 170	As ppm 175 180	Mn ppm 185 190	Au ppb 195 200	70 150	75 155	80 160
1142		25	16	24			03		43	9	145				
43		21	13	38			07		33	20	465				
44		18	12	37			06		36	10	470				
45		13	12	26			05		22	4	165				
46		15	15	29			06		22	6	235				
47		11	1	26			04		26	4	150				
48		8	15	35			04		22	4	165				
49		15	18	28			04		33	8	170				
50		15	24	27			03		36	6	155				
51		12	18	21			02		40	6	140				
52		13	48	27			03		43	8	200				
1153		16	37	34			04		22	9	170				

CERTIFIED BY *Paul Stevenson*



PROJECT **115**

MIN - EN Laboratories Ltd.

DATE: **Oct 28/77**ATTENTION: **Paul Stevenson**705 WEST 15th ST. NORTH VANCOUVER, B.C. V7M 1T2  
PHONE (604) 980 5814

Sample Number	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ni ppm	Co ppm	Ag ppm	Fe ppm	Hg ppb	As ppm	Mn ppm	Au ppb				
85	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165
1154		19	26	58			05		52	7	280					
55		18	17	30			05		25	3	220					
56		14	22	28			06		28	3	230					
57		17	58	34			05		28	7	240					
58		14	28	36			06		105	9	240					
59		21	32	34			05		65	13	200					
60		20	37	41			06		60	11	220					
61		21	25	39			06		37	11	260					
62		20	56	41			06		37	11	380					
63		21	29	45			07		48	15	370					
64		20	28	44			08		37	26	420					
65		21	40	48			09		28	11	500					
66		19	31	43			10		48	13	490					
67		18	32	44			11		32	11	460					
68		18	51	38			12		37	13	480					
69		17	24	38			10		52	11	600					
70		11	19	25			08		25	11	280					
71		12	20	24			04		28	7	260					
72		11	20	22			06		37	6	200					
73		13	44	28			04		40	6	280					
74		16	22	29			08		48	8	270					
75		12	15	23			07		37	6	200					
76		13	15	20			06		20	8	180					
77		9	25	26			07		25	8	260					
78		8	26	21			06		28	3	240					
79		11	24	18			07		77	8	190					
80		12	19	26			08		32	8	330					
81		12	17	19			06		32	6	280					
82		11	19	30			07		37	14	540					
1183		12	12	24			06		105	3	300					

*Dr. 4/1/77*

COMPASS

Gillian Mines

## GEOCHEMICAL ANALYSIS DATA SHEET

2970

PROJECT TITLE

MIN - EN Laboratories Ltd.

DATE: Oct 28,  
1976.

ATTENTION

Paul Stevenson

705 WEST 15th ST., NORTH VANCOUVER, B.C. V7L 1T6  
PHONE: (604) 950-5814

Sample Number	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Fe ppm	Co ppm	Ni ppm	Mn ppm	As ppm	Sb ppm	Bi ppm	Ag ppm	Au ppm	
1184		62	28	98					15			25	10	510
85		58	52	75					16			32	4	370
86		60	56	180					19			25	10	520
87		66	102	130					25			20	6	500
88		58	52	125					20			25	8	470
89		61	125	135					21			25	8	460
90		58	110	122					18			48	10	480
91		59	33	51					17			40	20	400
92		66	110	58					15			28	34	350
93		75	64	135					24			28	17	560
94		55	115	126					23			20	9	500
95		56	84	75					18			25	10	490
96		64	28	50					16			28	8	520
97		59	24	52					12			32	4	490
98		54	100	64					11			32	12	540
99		60	76	104					13			13	8	550
1200		65	68	71					24			28	4	1000

D. Miller

PROJECT NO.

MIN - EN Laboratories Ltd.

DATE: Oct 25,

ATTENTION: Paul Stevenson

705 WEST 10th ST., NORTH VANCOUVER, B.C. V7M 1P2  
PHONE (604) 980 5514

1976

Sample Number	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ni ppm	Co ppm	Ag ppm	Fe ppm	Hg ppb	As ppm	Mn ppm	Au ppb
1023		32	76	34			07		194	2	160	
24		22	44	39			07		138	1	200	
25		20	37	37			08		22	2	170	
26		37	52	40			06		113	8	160	
27		16	156	42			08		49	2	210	
28		16	23	35			06		36	3	180	
29		19	20	34			06		92	4	190	
30		20	14	38			06		43	8	190	
31		17	19	32			04		49	3	180	
32		26	12	33			05		57	8	170	
33		14	11	26			06		43	6	150	
34		14	10	29			05		22	6	170	
35		13	12	33			05		26	10	170	
36		20	13	29			03		35	8	170	
37		29	32	35			05		78	8	200	
38		17	60	34			04		70	8	180	
39		14	33	35			03		85	3	230	
40		14	13	31			04		149	4	220	
41		15	24	36			06		113	3	210	
42		22	17	73			07		22	8	640	
43		16	24	34			05		22	4	250	
44		22	15	39			06		36	4	260	
45		14	37	58			04		198	3	300	
46		14	25	33			05		265	2	270	
47		16	18	32			05		382	1	270	
1048		17	17	35			07		245	3	310	
							.					
							.					
							.					
							.					

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*Paul Stevenson*



COMPANY

Gillian Mines

## GEOCHEMICAL ANALYSIS DATA SHEET

No. 2970

PROJECT No.:

MIN - EN Laboratories Ltd.

DATE: Oct. 25,  
1976.705 WEST 15th ST., NORTH VANCOUVER, B.C. V7W 1T7  
PHONE (604) 980-5814

ATTENTION: Paul Stevenson

Sample Number	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ni ppm	Co ppm	Ag ppm	Fe ppm	Hg ppb	As ppm	Mn ppm	Au ppb					
81	86	90	95	100	105	110	115	120	125	130	135	140	145	150	155	160	165
1003		29	75	98				12		14	4	230					
04		14	20	53				03		29	3	220					
05		15	14	40				05		18	4	190					
06		17	16	39				04		11	6	210					
07		18	15	37				04		22	4	190					
08		18	24	77				06		11	4	210					
09		16	16	58				07		25	2	280					
10		16	13	44				06		7	2	250					
11		12	310	38				05		11	3	290					
12		19	22	50				06		11	1	330					
13		19	29	38				05		29	1	260					
14		14	17	53				06		43	2	280					
15		12	16	38				06		18	1	330					
16		11	12	35				05		29	2	240					
17		13	15	36				05		18	2	220					
18		18	16	40				05		63	1	240					
19		15	11	38				05		438	2	210					
20		16	16	41				06		29	1	210					
21		18	18	40				07		100	4	250					
1022		23	15	39				11		25	3	240					

CERTIFIED BY

D. J. O'Neil

APPENDIX "B"

RECONNAISSANCE E-M SURVEY  
GILLIAN EAST AND WEST CLAIMS

for

GILLIAN MINES LTD.

INTRODUCTION:

During the early stages of a percussion drilling program, Mr. John Barakso, consultant to Gillian Mines Ltd., pursued an area of geological interest, viz., an outcrop of fragmental breccia in rhyolite located at 51S and 55E. Comparison with other Kuroko type deposits conjured structural inferences which led to suggestions for a reconnaissance VLF-EM survey using a Geonics VLF-EM16 unit to probe for a possible conductive body flanking a rhyolite dome.

PROCEDURE:

The structure Mr. Barakso was interested in was thought to have an east-west strike. Ideally, the station, Cutler, Maine (17.8 Hz) should have been used, but since the quality of the signal was poor, the station Seattle (18.6 Hz) was used. Since + or -45° in the direction of the survey lines is tolerable relative to the primary field the grid was designed to accommodate the following criteria.

- (1) Quality of signal, (Seattle was used).
- (2) Survey lines to run across the optimum strike  
of the structure in question.

It must be remembered that one of the shortcomings of the EM-16 unit is the poor penetration in swampy areas, and the swampy area flanking the outcrop at 51S and 55E was an area of geological interest.

The survey lines were flagged, and stations were identified so that

the reconnaissance grid could be plotted on the original grid. It was discovered on the grid tie-lines that the linesman's compass was faulty, which explains the deflections in some of the grid lines.

Readings were taken facing easterly, since they must be taken along the direction of the primary field. The in-phase and quadrature components were plotted on figure 2.

#### INTREPRETATION:

The area of interest to be investigated in VLF-EM surveying is that part of the EM profile where the slope of the in-phase component changes from positive to negative simultaneous to the out-of-phase component slope change from negative to positive at which point, a cross-over appears as the conductive body is approached. This criterion is met at 1750S on lines 0, 2 and 2000S, line 1 and further investigation of these conductors is warranted.

There is also a large change of slope in both in-phase and out-of-phase components in the swampy area flanking the rhyolite dome to the north. Here the criteria for an EM conductor were not met, but again it must be remembered, the shortcomings of the EM-16 unit in swampy area. Furthermore, the drill logs in the appendix show that significant pyrite sections were intersected. To obtain a more reasonable geophysical picture in this area of geological interest, a Standard Turam unit, which has penetration in excess of 200 meters compared to a maximum of 100 meters for an EM-16 unit, should be used. Further unvestigation regarding the cross-overs at 1750S on lines 0, 2 and 2000S, line 1 should be undertaken as these are probably due to some conductive source at depth and is situated in outcrop on dry land.

*Corby H. Stanley*  
Corby H. Stanley, Geophysicist.

TELEPHONE: (604) 731-7367

D. G. LEIGHTON & ASSOCIATES LTD.  
GEOLOGICAL CONSULTANTS

• 3152 WEST 10TH AVENUE  
VANCOUVER, B.C.  
V6K 3K9

November 9, 1977

Gillian Mines Ltd. (N.P.L.),  
#502 - 404 Granville Street,  
Vancouver, B.C.

Dear Sirs:

Re: Report on Gillian Property  
Goosley Lake Area, B.C.

I consent to the use of my report on the Gillian Mines Goosley Lake property dated November 12, 1976 in your statement of material facts.

I have no financial interest either direct or indirect in Gillian Mines, nor do I intend to receive any.

Yours truly,

*Rick Culbert*

R.R. Culbert, PhD., P.Eng.



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

None.

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

Although it is not possible to determine the actual net proceeds from the offering of shares pursuant to this Statement of Material Facts, in the event, all of the 200,000 shares are sold at the minimum price of 30¢ per share, the proceeds would be \$60,000 less commissions of \$4,500, for a net amount of \$55,500.

The principal purposes for which the estimated net proceeds from the sale of the securities offered by this Statement of Material Facts are to be spent and, in the order of priority, are as follows:

(a)	To pay accounts payable -	\$ 11,000
(b)	To conduct an electromagnetic survey on the Issuer's Goosly Lake Property pursuant to the recommendations of R.R. Culbert, Ph.D., P.Eng., dated 12 November 1976 -	\$ 10,000
(c)	To provide general working capital for corporate purposes and to seek and acquire mineral prospects of merit -	\$ 34,500
Total Proceeds:		<u>\$ 55,500</u> =====

No part of the proceeds received from the Offering will be used for exploration and development work on newly acquired mineral properties without the Issuer first filing acceptable engineering reports with the Vancouver Curb Exchange.

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

<u>Name and Address</u>	<u>Chief Occupation</u>	<u>Number of Shares of Issuer Beneficially Owned</u>
JOHN PAUL STEVENSON Manson Creek British Columbia PRESIDENT/DIRECTOR	Prospector for past five years; Director, Susie Gold Mines Ltd.	301,501 Shares

The greater than 5% beneficial shareholders of the Agent, West Coast Securities Ltd., are as follows:

<u>NAME AND ADDRESS</u>	<u>NO. &amp; CLASS OF SHARES</u>	<u>PERCENTAGE</u>
JAMES D. THOMAS 306-845 West Pender Street Vancouver, British Columbia	849 Common	84.9%
ROBERT DEVENTE 306-845 West Pender Street Vancouver, British Columbia	100 Common	10%

The closing bid price for the shares of the Issuer on the last trading day prior to the date of the certificates of this Statement of Material Facts was \$0.31 per share.

Directors and Insiders may purchase shares from this Offering.

The Agents, Canarim Investment Corporation Ltd., of Suite #1350, 409 Granville Street, Vancouver, British Columbia, and West Coast Securities Ltd., of 845 West Pender Street, Vancouver, British Columbia, may be considered the "market maker" of the shares of the Issuer during the period of primary distribution of the shares offered pursuant to this Statement of Material Facts and may, subject to the by-laws of the Vancouver Curb Exchange, make purchases and sales of the shares of the Issuer for the purpose of maintaining an orderly market for the shares of the Issuer and for assisting in the distribution of the offered shares. The Agents own no shares and have no shares under their control.

The number of and percentage of the issued and outstanding securities of each class of the Issuer beneficially owned, directly or indirectly, by promoters, directors, senior officers, and persons holding 10% or more of the issued shares, as a group, is 885,502 shares and 48.32%.

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

The properties of the Issuer on which the proceeds from the sale of securities offered by this Statement of Material Facts are to be spent are without a known body of commercial ore.

The shares of the Issuer must be considered speculative securities as the Issuer's mining properties are in the exploration and development stage.

No survey has been made of the Issuer's located 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.

<u>Name and Address</u>	<u>Chief Occupation</u>	<u>Number of Shares of Issuer Beneficially Owned</u>
AUDREY CLAIRE HAMILTON 4604 Strathcona Road North Vancouver, B.C. SECRETARY/DIRECTOR	Retired	1,000 Shares
D'ARCY JAMES MORROW 2004 Larson Road North Vancouver, B.C. DIRECTOR	Professional Engineer, Morrow Engineering Ltd., 1974 to date: 1964 - 1974, Engineer, Imperial Oil Limited	40,000 Shares

6. PARTICULARS OF THE CORPORATE STANDING OF THE ISSUER.

The Issuer was incorporated in British Columbia on 26 January 1976 by Memorandum and Articles.

The last annual report was filed with the Registrar of Companies of British Columbia on 26 January 1977. All filing required to be made by the Issuer under the Securities Act and Companies Act of British Columbia are up-to-date.

The audited financial statements of the Issuer dated 20 February 1976 and the unaudited financial statements of the Issuer dated 31 October 1976 were placed before the Annual General Meeting of Shareholders of the Issuer on 28 January 1977.

There is no business which the Issuer is restricted from carrying on. The Issuer is primarily engaged in the business of acquiring and developing natural resource properties.

7. THE AUTHORIZED AND ISSUED SHARE CAPITAL OF THE ISSUER.

The authorized capital of the Issuer consists of 10,000,000 shares without par value, of which 1,832,502 shares have been issued as fully paid.

8. THE PRICES AT WHICH SECURITIES OF THE ISSUER HAVE BEEN ISSUED DURING THE PAST YEAR.

200,000 shares were issued for cash at 16½¢ per share.



9. PARTICULARS OF ANY BONDS, DEBENTURES, NOTES, MORTGAGES, CHARGES, LIENS, OR HYPOTHECATIONS OF THE ISSUER.

None.

10. PARTICULARS OF IMPORTANT PROPERTIES PRESENTLY OWNED, LEASED, HELD UNDER OPTION OR OPERATED BY THE ISSUER OR ANY SUBSIDIARY THEREOF OR PROPOSED TO BE OWNED, LEASED, HELD UNDER OPTION, OR OPERATED BY THE ISSUER OR ANY SUBSIDIARY THEREOF.

(A) GOOSLY LAKE PROPERTY -

The Issuer owns a 100% interest in the Gillian West and Gillian East Mineral Claims, Record Numbers 205 and 204, respectively, Loyd and Loyd North Mineral Claims, consisting of 8 units and 14 units, respectively, Record Numbers 238 and 239, respectively, Diane Mineral Claim, consisting of 6 units, Record Number 249, and Douglas #1 Mineral Claim, consisting of 12 units, Record number unknown to the Issuer, in the Omineca Mining Division of the Province of British Columbia.

The Issuer has not conducted any exploration or development work on the property during the past year. The Issuer intends to conduct an electromagnetic survey on the Property to locate drill targets and, if results are favourable, will conduct diamond drilling when funds are available.

(B) RICHARD PROPERTY -

The Issuer owns an undivided 100% interest in the Richard Group of Mineral Claims, comprising twenty (20) units, four (4) unit lengths, north to south and five (5) unit lengths, east to west, situated in the Omineca Mining Division of the Province of British Columbia.

The Issuer has not conducted any exploration or development work on the Property to date. However, the Property has been maintained in good standing by the payment of cash in lieu of work. Work on the Property will be undertaken when funds are available.

(C) JO ANN PROPERTY -

The Issuer owns a 1-0% interest in the Jo Ann #27 - #38, Jo Ann One Fraction, and Jo Ann #39 - #48 mineral claims, Record numbers 130972 - 130983, 130984, and 133613 - 133622, situated in the Omineca Mining Division of the Province of British Columbia.