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Geologic Report
on the
Silver Hawk Group of Claims,
Nelson Mining Division,
British Columbia
NTS 82F/6W
for
High Point Resources Inc.,
Vancouver, B.C.

Vancouver, B.C.
April 10, 1982

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INTRODUCTION

At the request of D. Bialkoski, a director of High Point Resources Inc. of Vancouver, the writer examined the Silver Hawk group of claims south of the city of Nelson, British Columbia.

The two main showings displaying precious and base metals were examined and sampled on October 30, 1981.

LOCATION AND ACCESS

The property is located on the east side of Cottonwood Creek, on Selous Creek, approximately 3 miles south-east of Nelson within the Nelson Mining District.

Centering co-ordinates of the Claim group are north $49^{\circ} 17'$ latitude and west $117^{\circ} 16'$ longitude with the NTS location being 82F/6W.

Claim access is south for 4.5 miles on Highway 6 from Nelson to where the old GNR railway line crosses the highway. At this point a gravel logging road doubles back for 1.5 miles to Selous Creek within the claim group. At the creek site there is no bridge but the road continues north for some distance.

PROPERTY

The property located in the Nelson Mining Division of British Columbia consists of 1 claim, the Silver Hawk, which includes 12 units:

<u>Claim Name</u>	<u>No. of Units</u>	<u>Record No.</u>	<u>Expiry Date</u>
Silver Hawk	12		

In addition the property contains the following reverted Crown-grants:

Perrier -
Lizzie -

The Perrier Crown grant was the site of the old Perrier Gold Mine which sporadically produced from three shallow horizons from 1915 to 1935. It is suggested that this old producer be the subject of separate research as to its present day viability considering the present price of gold.

HISTORY

The recorded history of this particular property is very short but it lies within an area with extensive mining history. To the north exists the Slocan silver-lead camp, the Ainsworth lead-zinc camp lies to the northeast while the Sheep Creek gold producers are to the south.

The Perrier gold mine produced on a sporadic basis from 1915 to 1935. The Silver Hawk claims of High Point Resources Inc. lie immediately to the east of the old producer. The immediate area is known for its deposits of lead-zinc with associated strong gold values and, normally, weak silver values. In the Perrier production days the lead-zinc values outweighed the silver benefits.

The present claims formed part of a large staked group that belonged to Cop-Mac Mines Ltd. of Vancouver in the early 1970's. In addition to trenching this company had geophysical and geochemical surveys run over certain sections of the claim group.

With the fall back in the price of gold in 1973 the claims were allowed to lapse and only in 1978 when gold prices again surged forward were the claims staked by Warrior Resources Ltd. of Vancouver. Following very limited soil sampling the claims again were allowed to lapse only to be staked in 1981 by a group who interested High Point Resources Inc. in their potential.

As far as is known, the claims have not seen any diamond drilling, only immediate surface work.

GEOLOGY

The High Point Resources property lies on the southeast flank of the Lower Cretaceous Nelson Batholith, an intrusion of multiple phases. An extension of this batholith trends south to the east of the claim group and gathers up below the southern boundary. In the general area of the property conformable formations of Rosslund volcanics and Ymir and Hall sediments strike almost north-south. Small clusters of the Nelson granites lie irregularly scattered within the lava - sedimentary domain creating metamorphic phases to the latter formations.

On the property the outcrop exposure is erratic. The bulk of the hillside area is covered with extensive but seemingly shallow glacial till.

Exposures on the Silver Hawk claims are of metamorphic origin. The observed biotite schist is likely a created offshoot of the volcanic flows of the Rosslund Formation.

The schistosity of the observed rocks at the various showings varies from north-south to slightly west of north, with attitudes normally being steep in both directions.

SHOWINGS

There are 2 areas of importance on the claims called the North and South Showings.

South Showing

Located in unit _____, several hundred feet south of Selous Creek, this showing consists primarily of an old shaft, several outcrop showings and partially filled-in trenches.

The 6 foot deep shaft exposes a 3 foot wide shear structure trending S10°E and dipping 70° to the west. The shear is filled with irregular quartz veinlets while scattered through the shear is pyrite and minor amounts of galena. Host rock is an altered biotite schist. A sample (#474P) taken by the writer ran:

Gold	-	0.014 oz./ton	
Silver	-	0.44 oz./ton	
Lead	-	0.176 %	
Zinc	-	1.78 %	across 3 feet

Two samples taken by past property examiners ran:

(1) D.P. Taylor (1978):

Gold	-	N/A	
Silver	-	8.40 oz./ton	
Lead	-	3.22 %	
Zinc	-	24.61 %	across 3 feet

(2) T.R. Tough (1969):

Gold	-	N/A	
Silver	-	0.85 oz./ton	
Lead	-	1.05 %	
Zinc	-	3.40 %	across 5 feet

Fifty feet to the south of the shaft a rock exposure carries a similar shear structure. The possibility exists that this could be the same zone as in the shaft. The writer sampled this shear (#475P) with the following results:

Gold	-	0.016 oz./ton	
Silver	-	0.53 oz./ton	
Lead	-	0.237 %	
Zinc	-	4.69 %	across 2½ feet

This outcrop was similarly sampled by T.R. Tough in 1969 with the following results:

Gold	-	N/A	
Silver	-	0.30 oz./ton	
Lead	-	0.42 %	
Zinc	-	2.35 %	across 6 feet

Two east-west samples reputed to cover the width of the zone were taken north and south of the shaft by Tough in 1969. The results:

North of shaft:

Silver	-	2.54 oz./ton	
Lead	-	4.50 %	
Zinc	-	1.20 %	across 50 feet

South of shaft:

Silver	-	3.62 oz./ton	
Lead	-	13.46 %	
Zinc	-	1.30 %	across 55 feet

Other samples taken in 1969 and 1978 within this area show generally weak silver and lead results with slightly stronger zinc assays.

North Showing

Located roughly 2,400 feet to the north northwest in unit # the north showing is reached by following the gravel road across Selous Creek and up the hillside for some 1,400 feet.

At this showing another old shaft exposes relatively good zinc mineralization within a strong biotite shear structure. A sample (#14992A) taken by the writer from the shaft shear zone assayed:

Gold	-	0.028 oz./ton	
Silver	-	0.32 oz./ton	
Lead	-	0.203 %	
Zinc	-	7.02 %	across 2 feet

A similarly located sample taken by D.P. Taylor in 1978 ran:

Silver	-	0.11 oz./ton	
Lead	-	0.01 %	
Zinc	-	0.02 %	over 2 feet

A 1969 sample by Tough which not only included the shaft mineralization but extended west to cover the rock exposure outside analyzed:

Silver	-	14.15 oz./ton	
Lead	-	5.65 %	
Zinc	-	13.45 %	over 10 feet

Twenty feet south of the shaft there is a sidehill cut exposure which reveals the same north trending steep shear. A sample (#44993A) cut from an oxidized, eroded section of the exposure assayed:

Gold	-	0.10 oz./ton	
Silver	-	5.79 oz./ton	
Lead	-	3.87 %	
Zinc	-	8.20 %	across 20 inches

Sampling by Tough and Taylor, over a 10 foot width on a mineralized section some 12 feet south of the writer's sample, ran:

	<u>Tough (1969)</u>	<u>Taylor (1978)</u>
Silver	0.45 oz./ton	1.69 oz./ton
Lead	0.45 %	1.85 %
Zinc	4.00 %	7.36 %

This zone has the same structural trend as the south zone but appears to be slightly more narrower than the south judging from sampling widths. The interval between the two zones is too great to judge whether they are one or separate structures.

Close to the shaft in the North zone there is a high-grade pile of mineralized rocks obviously collected from the nearby showings. In order to obtain an idea of the grades associated with the more highly mineralized sections the writer randomly selected specimen and put them through as two samples with the following results:

	<u>#14994A</u>	<u>#14995A</u>
Gold	0.026 oz./ton	0.022 oz./ton
Silver	31.03 oz./ton	5.03 oz./ton
Lead	13.60 %	1.51 %
Zinc	26.0 %	15.8 %

From the writer's sampling there appears to be no direct relationship between the amount of silver present and the percentage of lead although it is strongly suspected the lead carries the silver values.

Soil sampling plus limited geophysics of the area including the two showings was undertaken by a Vancouver group in 1970 employing Geotronics Surveys Ltd. of Vancouver.

The geophysical survey included the use of a JEM dual-frequency electromagnetic unit and a G-28 VLF electromagnetic unit. Neither of the instruments was successful in outlining the known mineralization or proving the two zones connected. This was attributed to the amount of sphalerite present and its possible shielding action.

The 1970 soil sampling was analyzed for copper, lead and zinc ions. Soil maps of this survey made available to the writer show poor correlation with one another. The copper anomalies are small and of little interest. The zinc sampling shows a minor relationship between the two main showings whereas the lead ions being the least mobile of the three ions show anomalous groupings in the area of the showings. The survey also identified other anomalous areas of interest. It appears that no follow-up action was carried out.

CONCLUSIONS

The Silver Hawk group of claims are primarily base metals - lead and zinc - with some erratic values in silver and low gold values.

To the writer's knowledge only soil sampling and minor geophysics has been conducted over the claims. The claim block is in a known productive area as the defunct Perrier Gold Mine is included within the staked block.

Geologically the claim block is well located within the Rossland volcanics. The two main showings lie in a metamorphosed section of the volcanics where rock tension has resulted in strong shear action. The shears are well mineralized with pyrite, sphalerite and galena.

Sampling by the writer was inconclusive. The high zinc values from the sampling is of interest but there appears to be no relationship between the zinc and the precious metal contents. The gold values are likely associated with the pyrite mineralization.

At the time of writing, there is no appealing metal on the market. In the past, lead and zinc mineralization have always been hallmark metals in the province of British Columbia. On the Silver Hawk claim block two showing approximately 2,500 feet apart demonstrate moderate base metal mineralization over variable widths. Little information is available concerning the true widths and lengths of the zones. The property warrants an investigation of this nature.

RECOMMENDATIONS

Work should initially be concentrated on expanding the two known mineralized zones. The approach to this should be from two directions, surface and diamond drilling. It is recommended that the work be tiered so that an even work flow will be developed.

The first approach, or tier, should be surface investigation by means of trenching. Some of the old trenches of 1969 should be opened with new trenches being strategically located so as to assist in the interpretation of the surface dimensions. Sampling should be contemporary with the exposure of new surface rock.

Immediately following this surface trenching would be the next tier, that of diamond drilling. It is recommended that this stage of drilling be of a confined exploratory nature primarily designed to check the continuity of the two zones and to initiate a shallow depth probe.

If this phase of the operation is successful then a more detailed program of diamond drilling would be the next approach. Costs of this later phase would be dependent on the results of the earlier phase and cannot be projected at this time.

COST ESTIMATES FOR THE RECOMMENDED PROGRAM

Bulldozer trenching, air trak and dynamite (a D-6 caterpillar would be the ideal size)	\$10,000
1,250 feet of diamond drilling	62,500
Sampling and assaying	3,000
Engineering and supervision	<u>5,000</u>
	80,500
15% Contingency	<u>12,075</u>
	<u>\$92,575</u>

Respectfully submitted,

April 10, 1982.

W.G. Hainsworth, P. Eng.
Consulting Geologist

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CERTIFICATE

I, W.G. Hainsworth, P. Eng., of Vancouver, British Columbia do hereby certify:

- (1) That I am a Consulting Geologist residing at #4 - 4100 Salish Drive, Vancouver, British Columbia.
- (2) That I am a graduate of the University of Western Ontario, London, Ontario, Bachelor of Science Degree, Honours Geology.
- (3) That I have practiced my profession for some 30 years.
- (4) That I have been a continuous member of the Association of Professional Engineers of British Columbia since 1965 and am a Professional Geologist registered with the Association of Professional Engineers, Geologists and Geophysicists of Alberta.
- (5) That I have no financial interest, direct or indirect, in High Point Resources Inc., and do not expect to obtain any such interest.
- (6) That the information contained in this report is based on a visit to the Silver Hawk Claims of High Point Resources Inc. on October 30, 1981 and examination of literature pertaining to the property.
- (7) That I consent to the use of this report in any Prospectus or Statement of Material Facts by High Point Resources Inc.

W.G. Hainsworth, P. Eng. (B.C.)
P. Geol. (Alta.)

Vancouver, B.C.
April 10, 1982.