

Falaise Lake, Mines Limited
Rossland Project

Tunnel Completion and Diamond
Drilling Program

April 7, 1970 **800120** L. Telfer

Falaise Lake Mines, Limited

Rosslund Project

Report on
Re-opening Mine and Initial
Diamond Drilling Program.

April 7, 1970
Rosslund, B.C.

L. Telfer

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FALAISE LAKE MINES, LIMITED
ROSSLAND PROJECT

Re-opening Mine and Preliminary Drill Program

Introduction:

Commencing in 1967 Falaise Lake Mines, Limited carried out a diamond drilling program from surface, exploring part of the vein system on the Rossland property. This program, exploring the Le Roi vein to the 300 foot level and the War Eagle and Iron Mask workings to the 100 foot level, indicated 307,400 tons grading 0.204 ozs. Au, 0.61 ozs. Ag, 0.65% Cu in pillars and along the hangingwall of part of the vein system.

The underground workings of the Rossland Mines are extensive, consisting of some 86 miles of drifts and cross-cuts on several levels. However, 90% of the production came from an area 2000 feet in length centred about the common boundary of the Le Roi and Centre Star claims. Since about two-thirds of the previously stoped area is above the 800 foot level, elev. 3064 feet, an adit was started in June, 1969 to intersect this level. This is a production and drainage tunnel which also explores a possible favorable area where some earlier work had been carried out on veins known as the Phoenix, Spitzee and Packtrain veins. This adit is nearing completion and the following lists a few of the diamond drill targets which will be explored as an initial drill program.

Property:

Falaise Lake Mines, Limited holds under an option agreement with Cominco, Ltd., dated July 14, 1967, a 49% interest in 72 crown granted claims and fractions, situated at Rossland in the Kootenay District of British Columbia. These cover the workings of the Le Roi, Centre Star, War Eagle, Iron Mask, Josie, Kootenay Columbia, Nickel Plate and Crown Point Mines and include a group of claims in the South Belt area.

To cover the adit location the Townsite Fractional claim was staked and an option of a full interest obtained from Rossland Mines, Limited on the Spitzee, Derby, Phoenix and Fool Hen claims. Surface rights were purchased of Block 62 in Rossland and right obtained for the mine dump to extend on to Lot 50, owned by Cominco, Ltd.

History:

The ground under option covers the old Rossland mines which, in the period from 1894 to 1933, produced six million tons grading 0.452 ozs. Au, 0.57 ozs. Ag, 1.0% Cu, in recoverable values mainly by direct smelting. In 1940-41 Cominco Ltd. carried out a geological mapping program and in 1967-68 Falaise Lake Mines, Ltd. drilled 41 holes, totalling 10,480 feet and carried out a magnetic and electromagnetic survey over certain claims not explored by underground workings.

History (Con'd):

In June, 1969 a contract was let to Cremac to drive an adit (elev. 3045') with a proposed length of 4215 feet to where it connects with the workings on the 800 foot level Le Roi. To March 31, 1970 this adit had been driven 3129 feet and a further 1086 feet will connect it with the 886 X-C. Le Roi.

Ore Reserves:

During the productive life of the mine gold was \$20.67 per oz. and copper prices averaged 15 ¢ per pound. Certain portions of the vein system, uneconomic at these prices, could be mineable at present prices of copper particularly as there should be some reduction in operating costs by mining with an adit and milling of the ore.

Falaise Lake Mines' surface drill program, together with some previous work by Cominco indicated an ore reserve of 307,400 tons grading 0.204 ozs. Au, 0.61 ozs. Ag, 0.65% copper in pillars and along the hangingwall of part of the vein system. As this occurs within 100 to 300 feet from surface, re-opening the mine to the 800 level Le Roi would give a potential million tons for this type of ore.

Four gold-copper veins have been intersected by the adit and there are many former drill intersections within the old mines that warrant further exploration. Providing that further drilling confirms and extends the ore intersections made by the adit and within the old mine area these previously unmined veins could provide a further half million tons of new ore.

Adit:

Commencing in June, 1969 Cremac has been driving a 7' by 9' drainage and production adit, at an elevation of 3045 feet to connect with the Le Roi shaft at the 800 foot level. As at March 31, 1970 this has been driven 3129 feet and a further 1086 feet of drive is required to connect with the 886 X-C. LeRoi. After this break through the mine will be drained and the 886 crosscut will be enlarged to complete a main haulage to the Le Roi shaft station.

In the old mine area ninety percent of the production came from that portion of the vein system situated between the Josie and Nickel Plate dikes. The adit was accordingly located to cross the Nickel Plate dike and explore a similarly situated block of ground to the south of the mined area. It has intersected four gold-copper veins and it's extension a further 770 feet will crosscut the Packtrain Vein which has been intersected by two drill holes from the 886 crosscut.

At 3127 feet the adit entered diorite porphyrite, one of the favorable host rocks for the veins in the old mines. Since this 770 foot interval before the Packtrain vein is reached has not been previously explored in this area other veins are possible.

Diamond Drilling:

On completion of the adit a diamond drilling program, totalling 8000 feet is proposed as a preliminary step in the exploration of the veins intersected by the adit and a few of the potential ore bearing structures indicated by former drill holes within the old mined area. The ones listed are relatively close to the adit's entry to the 800 foot level.

In summary these are;

In Adit

Vein	Footage from		Ozs. Au	% Copper
	Portal	Feet		
-	387'	1.2	0.03	0.46
Phoenix	750'	1.4	0.67	0.80
-	1,850'	16.0'	0.22	0.53
	(includes-	0.5'	0.48	6.16)
Spitzee	2,012'	2.3'	0.25	1.90
Packtrain	3,900'	3.5'	0.40	0.30

The veins of most interest intersected by the adit are;

Phoenix Vein @ 750', Dip 72°N.

The intersection in the adit is 1.4 feet assaying 0.67 ozs. Au, 0.80% Cu. Along strike, 2200 feet to the west, old shaft workings on the Phoenix claim produced 306 tons grading 0.50 ozs. Au, 1.68 ozs. Ag, 1.15% Cu from a vein stated to be 2 to 4 feet wide. In this area a self-potential survey, carried out by Rossland Mines, Ltd., showed a strong anomaly with a length of 700 feet. On the Abe Lincoln claim, 1000 feet further west a surface shaft and 1000 feet of drifting from the 1254 X-C, Le Roi (elev. 2675') explored a vein but gold-copper values were erratic and no mineable ore shoots were found. Since most of this trend is concealed by overburden some further surface investigation is warranted along the strike of this vein.

Vein @ 1,866', Dip 50°N.

This is a brecciated zone carrying a high grade six inch hangingwall vein assaying 0.485 ozs. Au, 6.16% Cu with sheared pulaskite in the footwall carrying chalcopyrite to give the zone an average 16.0 feet grading 0.22 ozs. Au, 0.53% Cu. This is an unknown vein 130 feet on the footwall side of the Spitzee vein. The host rock is pulaskite while all other veins in the old mine were in either augite porphyrite or monzonite.

Spitzee Vein @ 2012', Dip 60°N.

In the adit this vein shows 2.3 feet assaying 0.25 ozs. Au, 1.90% Cu. Prior to 1905 production from the Spitzee shaft workings totalled 6516 tons, grading 0.273 ozs. Au, 0.48 ozs. Ag, 0.88% Cu, in recoverable values. About 1000 feet of drifting was done on the 200 foot level. The 1254 X-C appears to cut this vein, 1500 feet west of the end of this drift, and four drill holes showed some values, the best being 12.1 feet assaying 0.04 ozs. Au, 1.5% Cu.

Diamond Drilling (Con'd);In Le Roi Mine near the Shaft

<u>Level</u>	<u>Latitude</u>	<u>Departure</u>	<u>Drill Hole</u>	<u>Feet</u>	<u>Ozs. Au</u>	<u>% Cu</u>
800 L.R.	2120	3390	226	1.5	0.48	0.40
			70	10.0	0.14	1.10
	2270	2750	30	3.0	0.08	1.50
700 L.R.	1915	2540	68	5.0	0.43	1.40
				10.0	Not assayed	
		6.0	0.36	1.30		
		242	5.0	0.22	1.40	
		2.5	0.34	1.00		
600 L.R.	1910	2520	113	1.0	0.42	3.40
				4.0	0.40	1.10
				2.0	0.40	4.90
	2015	2800	254	3.5	0.35	0.50
	500 Josie	2700	2930	202	1.1	0.70
				0.5	0.20	3.20
				1.1	2.40	4.20
				1.5	0.16	2.70
On either side of 202 --				(201	0.5	0.12
	(276					
	2615	3280	265	0.5	3.34	16.60
				1.0	0.16	1.50

The above drill hole intersections are taken from the mine plans and do not appear to have been explored by narrow work. The targets chosen are those that are relatively close to the 800 level break-through. Investigation of the mine workings will show many other drill holes that intersected values that warrant further exploration.

Costs:

The work proposed and a tentative schedule for it's completion is;

April 1 to June 30-	Completion of adit (1,086')	\$93,000
July 1 to Aug. 31 -	De-watering Mine	-
Sept. 1 to Oct. 31-	Widening 886 crosscut	22,000
Nov. 1 to Dec. 31 -	8000' diamond drilling	40,000
	Total	\$155,000

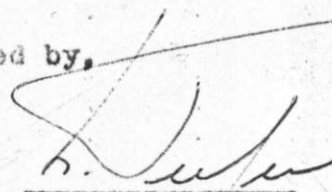
Contingencies for mine drainage, cleanup and further diamond drilling-		45,000
	Total	\$200,000

Conclusion:

The adit is a linedrive and has intersected several interesting vein structures which, if like the other veins in the camp, should carry mineable sections. Within the old mine the mineable ore shoots are relatively short but have a much greater vertical range and appear to be in part localized by the dike pattern, which dike pattern extends into the area of the adit.

Completion of the adit will permit drilling of the veins intersected and also open up the mine workings for exploration. In the old mine there are many former drill intersections which at present copper prices warrant further investigation and as noted above the lower grade sections of the previously mined veins and certain of the pillars could provide a substantial tonnage.

Submitted by,


L. Telfer P. Eng.

April 7, 1970
Box 221,
Rossland, B.C.

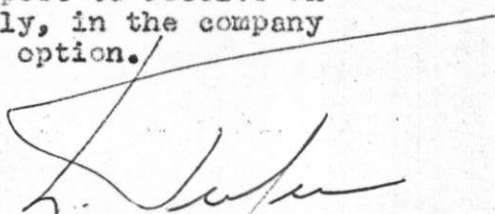


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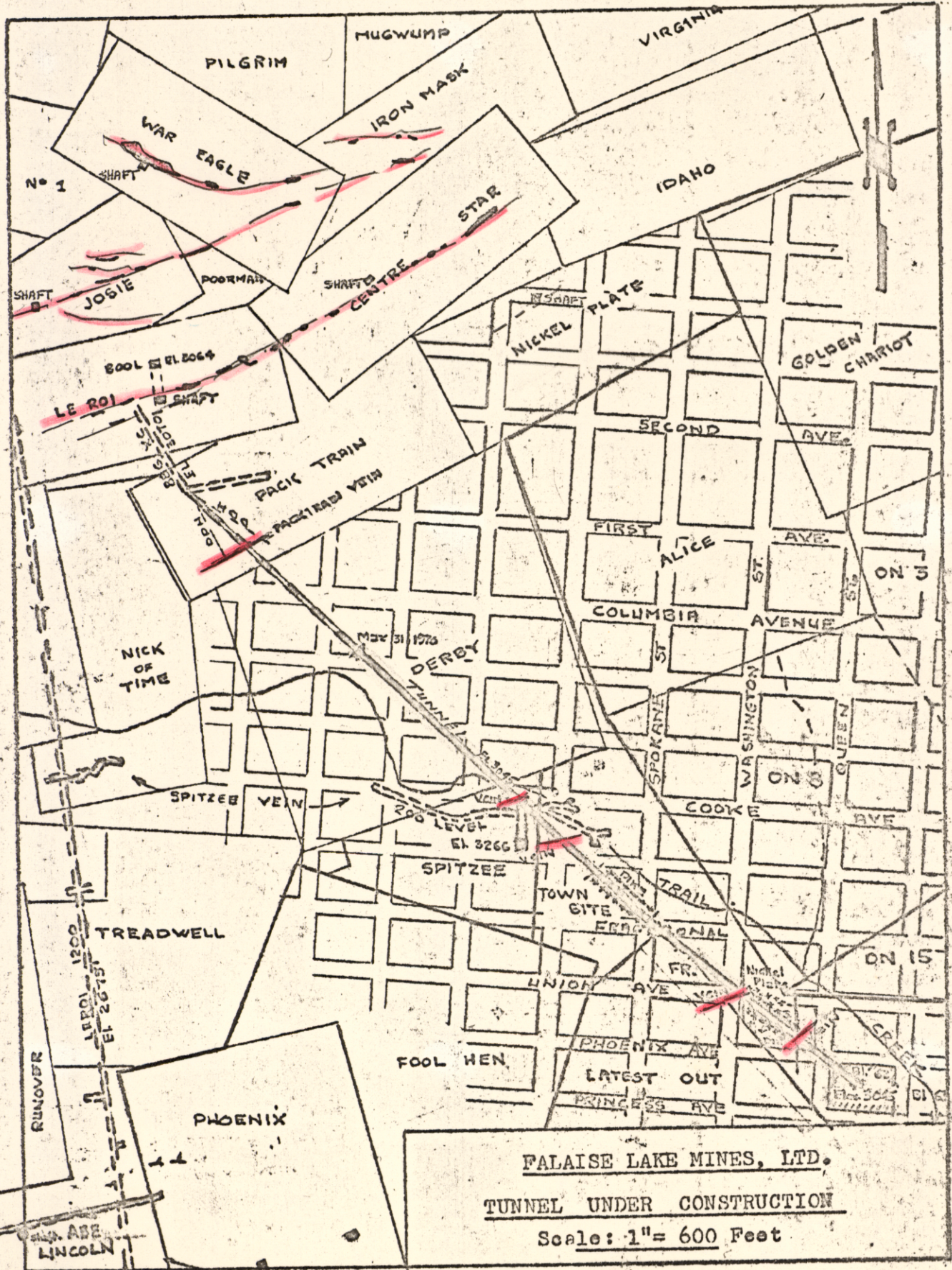
This is to certify that;

1. I, Leonard Telfer am a resident of Rossland at the above address, which is also my office.
2. I am a Professional Engineer (British Columbia) and have practised as a mining engineer for the past 40 years most of which has been in British Columbia.
3. I am a graduate in mining geology of the University of Alberta and took post graduate work in geology at the University of Toronto.
4. This report is written by me and is based on personal work and a review of maps, records and reports that are available on the Rossland Camp.
5. I have no interest nor do I expect to receive an interest, directly or indirectly, in the company holding the claim groups under option.

April 7, 1970
Rossland, B.C.


L. Telfer P. Eng.
2373- 2nd Avenue,
Rossland, B.C.





PALAISE LAKE MINES, LTD.
TUNNEL UNDER CONSTRUCTION
 Scale: 1" = 600 Feet