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Report on the Geochemical and Magnetometer Surveys Carried Out Over a Portion of Nugget II Claim New Westminister Mining Division Harrison Lake, B.C.

for

Callex Mineral Exploration Ltd. 101 - 744 West Hastings Street, Vancouver, B.C. V6C 1A5

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TABLE OF CONTENTS

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-	Page
Introduction	1
The Recommended Work Program	2
Analysis of the Results	2
The Claim Grid	2
Soil Survey	3
Lead Analysis	3
Gold Analysis	4
Magnetometer Survey	4
Recommendations	5
Certificate	6
Appendix "A" - 4 pages Assay Certificates	7

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Maps:

Figure	1- Property Location .	Following page 1
Figure	2- Claim Location	Following page 1
Figure	3- Claim & Grid Map	Following page 2
Figure	4 - Magnetometer Survey	In Pocket
Figure	5 - Soil Geochemistry -	GoldIn Pocket
Figure	6 - Soil Geochemistry -	LeadIn Pocket

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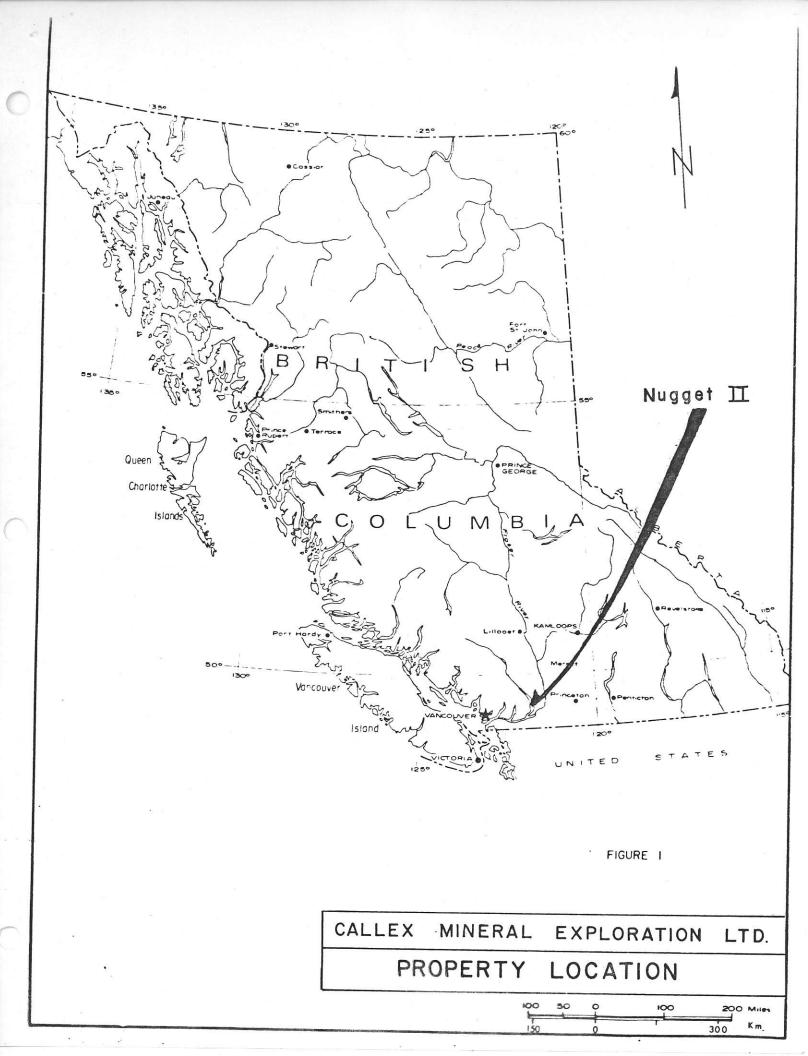
INTRODUCTION

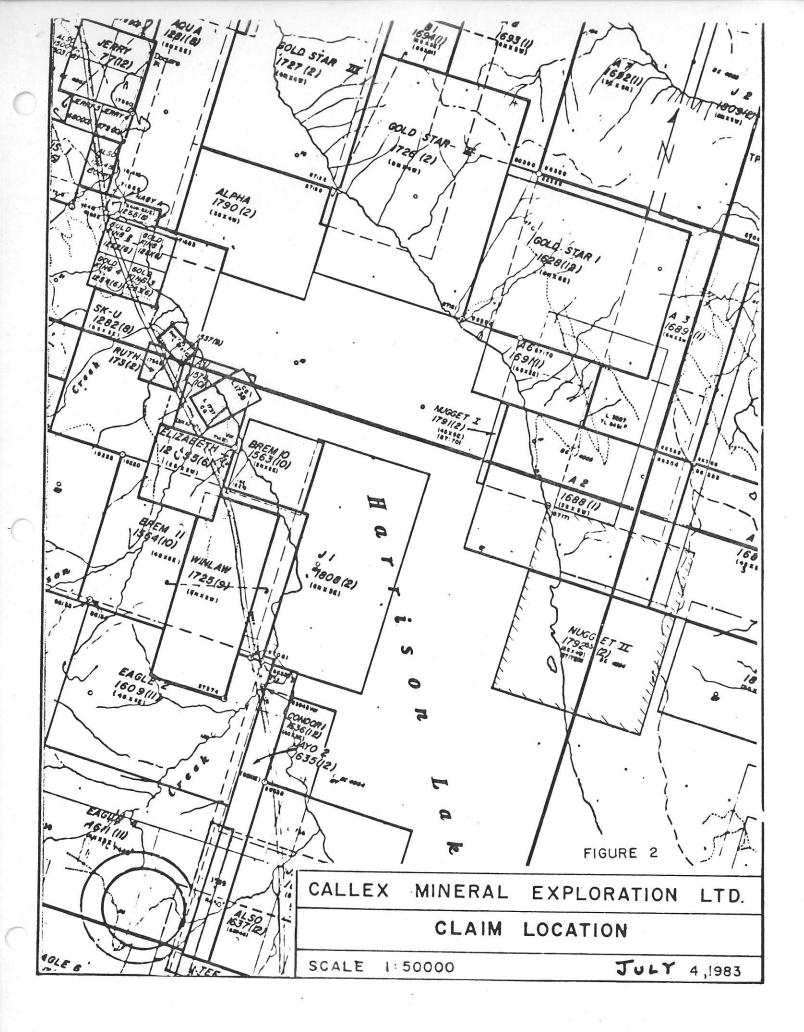
The Nugget II claim property of Callex Mineral Explorations Ltd. ("Callex") on Harrison Lake, British Columbia is presently complying with a recommendation of the writer in a report entitled "Report on the Nugget II Claim, New Westminister Mining Division, Harrison Lake, B.C." of March 15, 1983.

A director of Callex, George Keir, has asked the writer to comment on the partial soil and magnetometer work completed to date.

Details concerning the claim location, access, etc. are available in the above quoted report and consequently are not herewith reprinted. Refer to Figures 1 and 2.

The writer did not visit the property either during or since surface operations were carried out. Comments in the report are made solely from data supplied to the writer by Mr. Keir.





THE RECOMMENDED WORK PROGRAM

The Phase I of Stage I for the investigation of the twenty (20) units of Nugget II claim called for an expenditure of approximately \$17,000 distributed through a soil sampling, magnetometer and EM16 survey plus some geological mapping.

To date the soil sampling and the magnetometer have been carried out on a portion of the claim. Unfortunately the area of operation is where there is an unknown width of claim overlap from claim A.2, Registration number 1688, which has prior recording as of January, 1983.

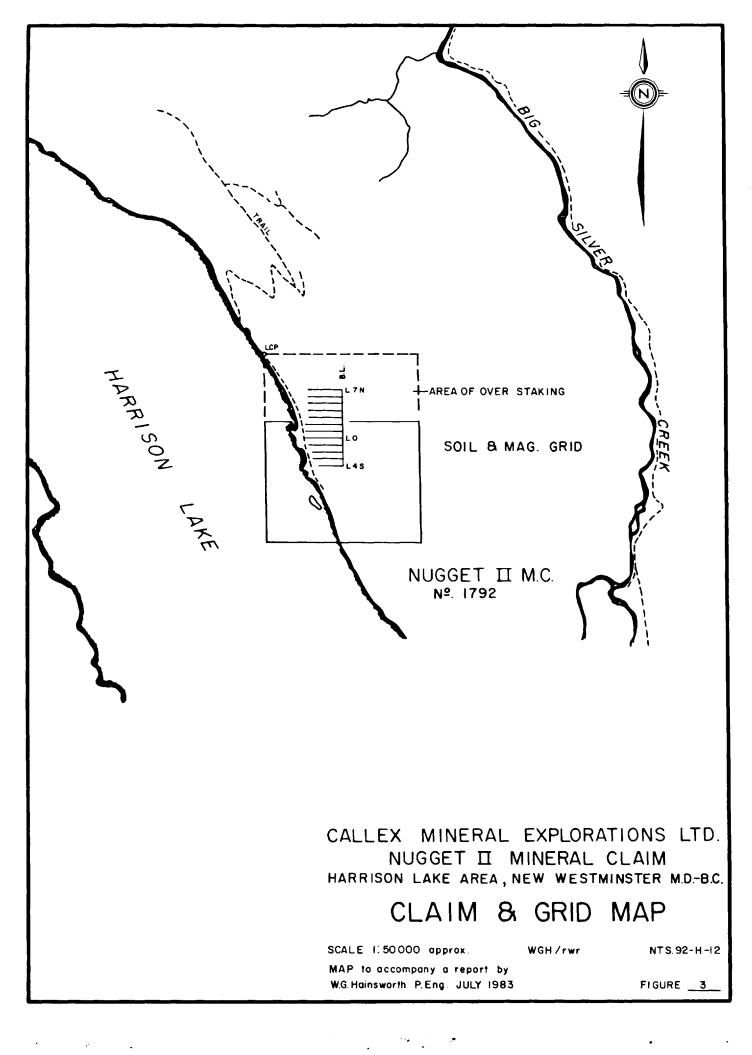
ANALYSIS OF THE RESULTS

The Claim Grid

A base line was run on a south bearing from a point 2400 to 2600 feet (730 to 792 meters) east of the Harrison Lake shoreline and approximately 3750 feet south 75° east from the Legal Corner Post #1. The baseline was carried south for 3300 feet (1006 meters) with west bearing picket lines being turned off every 300 feet (91.5 meters). The picket lines were flagged, with stations being established every 150 feet (45.7 meters). The lengths of these lines varied between 1050 and 1650 feet (320 and 503 meters). These stations were utilized for the recording of data (magnetometer survey) and the collection of soil material (geochemical survey).

A total of 17,700 feet (5,400 meters) of flagged picket line and 3,300 feet (1,006 meters) of flagged base line was put in place aggregating 21,000 feet (6,400 meters) of grid work.

Refer to Figure 3.



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There were 128 samples collected during this survey. 98 of these samples were forwarded to Acme Analytical Laboratories Ltd. in Vancouver where they were analysed for lead, silver and gold. The laboratory method was the normal digestion of the -80 mesh pulverized sample with a mixed concentration of hydrochloric acid, nitric acid and water with the final product being analysed by the atomic absorption method. The gold samples were treated with hot aqua regia followed by a leach extraction and then analysed by atomic absorption. In addition the company very wisely had the remaining 30 samples spectrographically analysed by Acme Analytical Laboratories for some 30 elements. Copies of the reports are attached as Appendix A. Figures 5 and 6 show the contoured results of the lead and gold assays. A silver plan was not drawn as the results are weak and inconclusive.

Lead Analysis (Figure 6)

A statistical analysis of the 128 samples run for lead shows:

Mean	=	8.56 ppm.
Standard Deviation	=	3.49 ppm.
Standard Error of Mean	=	0.756
Statistically possibly anomalous	=	12.048 ppm.
Statistically probably anomalous	=	15.541 ppm.

This latter figure, 15.541 ppm., is also considered the Threshold Value.

The assay results show a relatively strong batch of lead results lying along the southwest corner of the map area. This section represents a possibly anomalous area with several above threshold values enclosed within it. In addition several satellite areas lie grouped around this principal section but they represent, in the main, only one assay result, which would leave them suspect. The area to the west of this anomalous zone should be further investigated.

Examination of the spectrographic analyses shows that on line 4 south the zinc content and the copper content increase in comparison to the other line analyses. Similarily there is an increase in this particular section of the aluminum amount. This would lead to an assumption of quartz veins carrying sulphides in this southwestern section. Gold Analysis (Figure 5)

The statistical analysis of the 128 samples run for gold show:

Mean	=	9.297 ppb.
Standard Deviation	=	17.431 ppb.
Standard Error of Mean	=	1.541
Statistically possible anomalous	=	26.728 ppb.
Statistically probably anomalous	=	44.158 ppb.

Again the 44.158 ppb. is considered the Threshold Value.

Examination of figure 5 shows an 800 foot (244 meters) zone which extends from line 1 North to line 1 South and which has almost twice the Threshold count. The narrowness and abruptness of the zone is likely representative of a quartz vein structure. There is some association here with the lead results of figure 6.

The gold results through the remaining grid are weak. The outlying pockets of high assay results might be associated with narrow tight veins but more detailed work is required.

Magnetometer Survey (Figure 4)

The contours show a relatively flat plateau type of magnetic area with the magnetic differential being very slight, less than 1540 gammas, in the extreme count.

The resulting plan is the normal magnetic outline of a relatively stable flow or pyroclastic formation of the acidic to intermediate variety.

The high lead and gold contents are roughly associated with the lower gamma counts but at present this is not an established criterion.

RECOMMENDATIONS

The property has been less than one-fifth examined. In addition a portion of the area already checked out has been included in the contravention section.

It is recommended that in view of the encouraging results obtained in certain sections of the present grid that:

- 1) lines 4 North through to 4 South be extended as far west as the shoreline will permit;
- 2) on the east side of the present baseline, picket lines should be run to the east boundary below line 4 North at 600 foot (183 meters) intervals with soil and magnetometer stations being established every 300 feet (91 meters);
- 3) that the baseline be extended southwards through to the south boundary and picket line run east and west at 500 foot (152 meters) intervals with soil sampling stations be established every 200 feet (61 meters);
- 4) The present system of soil analysis be continued with one in every six lines being spectrographically analysized;
- 5) In the present grid area of high gold assays, detailed soil samples should be taken at 50 feet (15 meters) on each side of the present sample location in order to better delineate the results.

Respectfully submitted,

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