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August 9, 1982.

Mr. L.P. Starck
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Re: Banbury Gold Mine

Summary

On August 4th, 1982, F. Holland and the writer examined the Banbury Gold Mine on the south side of the Similkameen River in the Hedley area.

Prior operations had been confined to one quartz vein structure (Maple Leaf) with the remaining four veins receiving cursory examination. No serious prolonged production came from the property.

Present operators have removed a small amount of ore from the Maple Leaf vein as a metallurgical test run, however, their main effort has been directed towards proving up reserves on the Pine Knot vein through diamond drilling.

The writer views the property in a favourable light on the basis of a potential small tonnage gold operation.

Property

The Banbury Gold Mine, discovered in 1900, is composed of a combination of 25 crown-granted and staked claims with the latter being peripheral to the core crown grants.

The claims are located at a point three miles south-east of Hedley on the south side of the Similkameen River from elevations 1750 feet through to 3300 feet.

Access is by a good gravel road with not too strong a grade nor many switchbacks.

Sufficient work has been applied to the staked claims that no present assessment worry exists.

The present camp site, at 2700 feet, is a small two man insulated sleeping quarters-office. Facilities are present to repair/shelter vehicles. Water is drawn from a nearby stream, (Henri Creek), and electricity is generated by gasoline.

Geology

The host rock for the vein structures is an argillitic sediment which locally varies in calcareous alteration. It is not skarned such as at the Nickel Plate.

The bedded sediments, which strike north-east and dip steeply to the south-east, have been intruded by a gabbroic stock with associated small dykes.

The vein structures, fissure type, conform with the bearing of the sediments but transect the bedding at extreme angles. Originally the structure was shear developed with later infilling of quartz, calcite and base metals where the shear was dilated.

Vein System

The property has two recognizable vein systems and is reported to contain several others.

The quartz filled shears extend several hundreds of feet in length and vary from a tight shear of 6" minimum to a reported quartz ore structure of 10 to 15 feet. They are most prominent in the sediments where the bulk of past operations have taken place. Upon entering the stock the shears tighten due to the competency of the intrusive and presumably do not carry for any length. The latter statement is up for testing. The quartz veins dip steeply (55-65°) to the north-west but upon approaching the stock, flatten considerably.

Mineral occurrence related to the quartz veins is pyrite, scattered arsenopyrite and some chalcopyrite and sphalerite. The gold is apparently tied into the pyrite, and occasionally arsenopyrite, which must be present for precious metal values. Silver is in a low ratio to the gold. The stronger the sulphide presence the greater the possibility of precious metal content.

The structure most worked on is the Maple Leaf vein. It has two adits driven to the vein with three internal sub-levels. The two adits cover a vertical interval of 270 feet. Most of the past production has been taken from this zone.

Some 1,400 feet to the east is the Pine Knot vein, sometimes known as the Martin. This vein, which was not examined by the writer, has two adits, one of which is being rehabilitated by the present owners. The vein structure is closely associated with an andesite dyke which can be traced into the intrusive stock. This dyke, measuring several feet in width, appears as a parting to the quartzitic sheared zone or as a footwall or hangingwall component of the structure. The Pine Knot vein is the object of present Banbury diamond drilling. Their intention is to identify it as close to the valley floor as possible then crosscut into the structure from that elevation. Steep sidehill set-ups make this drill program very difficult.

Contained between these major structures are said to be three, possibly four, smaller veins upon which little attention has been directed.

Soil sampling over the property has identified several anomalous gold values within the diorite. During our visit the diamond drill, company owned and operated, was drilling one of these anomalies.

Drilling

Drilling has been sporadic over the years and has been dependant upon available finances. In addition to surface diamond drilling, percussion holes (20 foot lengths) have been located in strategic locations throughout the Maple Leaf workings.

As of published reports of January 1982 some 44 diamond drill holes, the majority on the Pine Knot vein have indicated reserves of the following dimensions based upon the resident geologist calculations:

Pine Knot	-	166,200 tons @ 0.32 oz/t	gold
Maple Leaf	-	19,500 tons @ 0.15 oz/t	gold

Some facts concerning the drilling:

A diamond drill hole 200 feet below the lowest Maple Leaf working intersected 8 feet of 0.064 oz/t gold. The structure evidently is persistent.

On the fifth level of the Maple Leaf (near surface) either 4 or 6 (dependant upon which figures are used) percussion holes have outlined 5,000 tons of 0.50 material. I presume this is included in the 19,500 tons total.

From figures made available by the resident geologist, the Pine Knot vein has a upper section of 100,000 tons of 0.40 material to a vertical depth of 350 feet. One hole has penetrated the lower section. I saw sections at the property and have been promised copies within 2 weeks time.

Mining

The Maple Leaf vein has seen past extraction, although no figures are available as to results. In 1936 a 50 ton mill at the base of the ridge was constructed and operated for 4 months. A gravity tram was installed to the lowest adit level.

The six levels on the Maple Leaf are all connected by a continuous raise.

#6 (lowest level, adit level) - at 3,000 foot elevation, shear was intersected and drifted upon but little mining activity.

In places the shear looks healthy, but I was informed the assay results were variable. I did not see an assay plan of this level. Sample #9256 (5.3 foot width) was chipped across the vein some 30 feet back from the northernmost face.

#5 level - 80 feet up the 65⁰ raise. Debatable as to whether the proper shear has been intersected. No mining.

#4 level - some 40 feet higher up raise. Stope action evident, but only one stope has been carried through to higher elevation. Sample #9257 (3 foot width) taken from one of the small stopes. An assay map of this level shows sporadic sampling.

#3 level - some 30 feet up the raise to this abbreviated level from which a stope (presumably the continuation of that on level 4) has been run up for over 70 feet. Sample #9258 (18" width) was cut from the apparently barren north face from which 3 percussion holes came up dry. However, a surface hole in advance of the face intersected 11 feet of 0.20 oz/t gold.

#2A level - is a further 50 feet up the raise. Percussion drilling verified the presence of the vein in the hanging wall. Little evidence of the shear but a flat subsidiary quartz structure is apparent. Assays of this vein averaged 0.30.

#1 level (highest level, adit level) - at 3,300 feet. Evidence of early mining. From this level, Banbury took out 1,000 tons for metallurgical analysis. Early percussion sampling by the company indicated relatively good values but sampling of the muck gave an average grade of 0.15 oz/t gold.

Comments

The company has done a fair amount of mixed work but it doesn't appear to be well organized. I appreciate their problems with the steep hillside set-ups for the drilling but suggest this can be overcome to some extent with flatter with-dip drill holes.

There is no complete picture of the underground sampling process. Gold veins are notorious for variable values and only a detailed sampling program with adequate assay section and plan maps will show whether there is a lode structure.

The young geologist on the property is doing a capable job within his experience range. I suggested several improvements to him which he was quite receptive to.

The vein structure on the Maple Leaf is strong over some two to three hundred feet of mixed length and depth. It appears open in all directions, save north into the diorite.

On the Pine Knot vein, surface drilling has identified the structure as being of good grade and thickness.

I view the Banbury as being somewhat the same position as the Nickel Plate. Earlier operators have opened the property and extracted good ore. Other areas of interest are present in addition to the possibility of expanding known stoped areas.

It is an interesting property that would require:

- 1) Rehabilitation of the Pine Knot adits.
- 2) An intensive underground sampling program on both major veins.
- 3) More informative oriented surface drill holes.
- 4) Senior guidance.

I doubt that the property would ever see production in excess of 100 tons a day but with proper management might well produce a modest cash flow.

Respectfully submitted,
W.G. HAINSWORTH & ASSOCIATES LTD.



W.G. Hainsworth
P. Eng.

WGH/sb