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November 20, 1968

Vancouver 1, B. C.

Dear Mr. McGonigle:

PROGRESS REPORT #3-68
TOMMY LAKE - TOE LAKE EXPLORATION PROGRAM
NICOLA MINING DIVISION, B. C.

The Company's properties comprise the Mal-Chal, HN-WEN, and Echo claim groups within the Tommy Lake area and the Toe and Boot groups within the Paradise Lake area. The aggregate property generally covers a 10 mile length of the geologically-favourable Pennask granodiorite-Nicola volcanic contact and volcanic re-entrant. As bedrock within the map area is generally overburden, it has been necessary to explore the claim groups via indirectmenthods, i.e.; co-ordinated geochemical and geophysical surveys.

To mid-June, 1968, exploration carried out comprised geochemical (soil & silt Cu.) surveys, in more or less detail, over the entire claims area, magnetic surveys of the Mal-Chal and Toe groups, corollary prospecting, and pre-liminary bulldozer stripping and trenching within potentially-mineralized zones outlined on the Echo and HN-WEN groups. Areas requiring preliminary ground-based geophysical, and supplementary geochemical surveys were, in part, indicated by the initial airborne E.M.-Mag-Radiometric survey performed early in 1967. In addition to the detailed property exploration carried out since the spring of 1967 a continuing geochemical-geological reconnaissance exploration program has been conducted over contiguous, geologically-strong regions (lineaments) of the district re-entrant. As stated in an earlier report the Brenda ore zone is situated at the extreme easterly end of this re-entrant on one of the system of main frac-

ture lineaments traversing it. The Company's local exploration has been directed towards the search for other ore zones, on its property or within the general re-entrant, which may be similarly positioned with respect to the dominent structures and optimum host rocks.

Reconnaissance silt surveys within the westerly part of the re-entrant have partly outlined two significant copperanomalies; in addition, these have been locally substantiated by follow-up soil sampling. With I.P. surveying completed it is planned to resume these investigations.

Following the completion of geochemical exploration on the Mal-Chal groups and delineation of anomalous zones within the respective claims areas,

I.P. surveys were initiated. Since their commencement in early June, 1968 those comprise:

- (a) East half of Toe group
- (b) Mal-Chal group
- (c) West half Toe group

12.0 miles GED-X - HEWITT. 1.P.

23.2 miles BARRWGER - HONTEC 7.5 km 1.P.

16.23 12.8 miles 4 - 4 4 4

Total = 48.0 miles

The foregoing work has delineated two strongly anomalous areas, measuring 5,600 X 1,000 ft. and 3,600 X 600 ft. respectively within the westerly Toe claims; in addition, a lower-scale, broadly-anomalous area at 2,000-3,000 ft. south of the base-line has been delineated. Of these, the first two correspond well with geochemically anomalous (Cu) zones; the third is situated over an intrusive zone within the general volcanic assemblage. Within the Mal - Chal group two major I.P. anomalous areas have been delineated. The more important, as deduced on the basis of its proximity to the earlier-delineated chalcopyrite-magnetite mineralization, is roughly elliptical in form, with an E-W width of 2,500 feet, and 'open' to the north. The secondary anomaly, although geochemically relevant, is considered essentially due to a content of metamorphic pyrite within limey-argillaceous beds.

For an adequate test of the three Toe and the northerly Mal-Chal I.P. anomalies, the writer recommends that the following physical exploration be carried out:

General - Provision for geochemical reconnaissance and prospecting \$ 5,000.
Stage I - Toe & Mal-Chal prospect zones:

- (a) Preliminary bulldozer trenching 30 days @ \$250.00 \$ 7,500.
- (b) Percussion drill sampling, min. 100' holes; estimate 10,000 1.f. @ \$3.00 per 1.f. 30,000.

 Provision, general expense & contingencies 7,500. 45,000.

Stage II - Toe, Mal-Chal, & Contiguous Zones:

(a) Deep diamond drilling - exploration sampling; estimate 7,500 1.f. B.Q. W.L. @ \$12.00 - \$90,000. Provision, associated expense & contingencies - 10,000. 100,000.

Respectfully submitted,

William M. Sharp, P. Eng. W. M. Sharp