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MEMORANDUM TO: Mr. J. N. Hyland, President

November 19, 1975

FROM: Erik Ostensoe, Chief Geologist

SUBJECT: 1975 Exploration Activities - Granduc Mines, Limited

B. W. KIRKHAM

SULPHURETS CREEK PROPERTY

The objective of the 1975 field program at Sulphurets Creek was completion of the program of geochemical sampling, mapping, trenching and prospecting that was commenced in 1974. In addition a complex procedure of abandonment and restaking of the claims was carried out.

Field work commenced on July 5 and continued until August 27. Personnel employed were Ed Kruckowski, Erik Ostensoe and Clarke Cherniwchan. The 400 foot "square" grid was extended north, south and southeast of the 1974 work.

Campsites were occupied at the following locations:

1. North of Mitchell Glacier
2. South of Mitchell Glacier
3. South of Sulphurets Glacier
4. Main Copper Zone
5. East of Hanging Glacier

500 rock samples were taken and, as in 1974, geological observations were recorded at each sample site. 21 bedrock trenches were excavated to better expose mineral occurrences and to assist in obtaining unweathered material suitable for assaying.

The 1974 trench in the "Main Copper Zone" area was extended both east and west to a total width of 91 feet assaying 0.79% Cu, 0.016% Mo, 0.11 oz/ton Ag, 0.024 oz/ton Au. Trenching south of Sulphurets Glacier was not too rewarding despite the presence of native copper in quartz sercite schist. In the area worked, at elevation 4640 feet, the rock is weathered and oxidized to depths of at least 48 inches. 4 samples representing 28 feet assayed 0.07% Cu, .003% Mo, 0.024 oz/ton Ag, 0.003 oz/ton Au. A good effort was expended in trying to trace an arsenopyrite occurrence found at the end of the 1974 field season but trenching did not substantiate high gold values previously obtained, nor was persistence of the vein proven. Nearby soils were sampled in hopes of finding clues to the nature of the mineralized occurrence. Further work should be done in this area. Elsewhere several trenches were excavated in areas found to be anomalous as a result of the 1974 work. No outstanding mineral zones were found but the validity of the anomalies was established in almost every location.

The 1975 rock geochemical survey indicated a very good potential north of Mitchell Glacier, a previously unrecognized copper zone south of Mitchell Glacier on former Dawson-Ross ground and resulted in down-grading our expectations in the area south of Sulphurets Glacier.

76 Sulphurets Creek Property claims were abandoned on July 30, 1975. These were immediately restaked following provisions of the Mineral Act and Regulations. The purpose of the staking was to tighten up our claim block, better define its limits and to acquire additional ground. The new claims, comprised of 87 units, were recorded at Stewart on August 26, 1975. On September 29 we received a letter from the Mining Recorder at Prince Rupert requesting additional information and a claim sketch drawn on a different scale. The information was provided on October 16 but title has not been received. Even though no real difficulty is anticipated, the long delay in obtaining title is worrisome.

The restaking incorporated new ground south, southeast and northeast of previously claimed ground. Some of the Dawson-Ross claims were deliberately overstaked as it was impossible to define their limits.

Subsequent to the completion of field work rock samples were analysed and maps were up-dated preparatory to assembling the 1975 Summary Report which should be completed about December 1. Assessment work will then be filed. Some further geological studies will be done and recommendations for the next stage of work will be prepared.

Dave Cook of Cominco Ltd. visited the Sulphurets Creek Property on August 21. He was able to examine parts of the Mitchell Glacier area and the Main Copper Zone. Subsequently Cook indicated Cominco's interest in further discussions possibly leading to their participation in further work. Cominco was recently given copies of maps showing the results of the 1975 work.

FIELD COSTS, ASSAYS, ANALYSES, OFFICE TREATMENT OF DATA
SULPHURETS CREEK PROJECT - 1975

Payroll - July, August, September	6,994.09
Payroll - Estimated October, November, December	4,500.00
Payroll - WCB, UIC, et al @ 15%	1,724.00
Helicopter charges	6,870.37
Other transportation charges	1,432.46
Chemex Labs Ltd.	5,398.82
Groceries	1,019.83
Dynamite, etc.	223.44
Drafting and printing	551.38
Claim fees, et al	896.00
Recording fees re 1975 work - anticipated	1,250.00
Anticipated additional expenditures not included above	1,000.00
Estimated expenditures to December 31, 1975 re field program	<u>\$31,860.00</u>

Note: No provision for Vancouver Office rental or
secretarial costs.