

CANADIAN EXPLORATION, LIMITED

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VANCOUVER, CANADA
CODE: MINERS AND SMELTERS

1100 ROYAL BANK BUILDING
VANCOUVER 2, B. C.
CANADA

January 17th, 1956.

Mr. J.D. Simpson,
Consolidated Purchasing & Designing, Inc.,
2300 Russ Building,
SAN FRANCISCO, 4,
Calif., U.S.A.

Dear Mr. Simpson,

Subject: SILVER-LEAD-ZINC CLAIMS
Gordon, Davies, Biddy & Vernon Groups,
Nina Lake Area, Omineca, B.C.

Attached please find report on Gordon Davies properties.

While the report was being finalised, a letter was received from Davies outlining the type of deal they would prefer.

Field examination is warranted this summer, and after the examination we would be in a position to discuss terms, if the property still appears to be promising. Since a report could not be prepared before mid-August, I recommend payment of the sum of \$1,000.00 to Gordon Davies in order to obtain exclusive rights for examination of the property up to August 31st, 1956.

Whilst Davies has submitted an outline of the type of deal they would prefer, he is naturally open to any reasonable offer with the one "proviso", that a down-payment be made upon signing of the option agreements (see Appendix I). From conversation with Kennecott geologists, I have gathered that Gordon Davies is a man of high integrity and a skilled prospector. It is in the Company's interests to go out of its way for men of his calibre.

Respectfully submitted,

Clive W. Ball
CLIVE W. BALL,
Chief Geologist.

CWB/JL.
Encl.

Copy to: Mr. C.W. Clark
Mr. G.A. Gordon

SUMMARY & RECOMMENDATIONS

The ore bodies consist of sulphides of lead and zinc with silver values. They are enclosed within dolomite beds in a belt of favourable limestone which extends between the Omineca and Osilinka Rivers. The limestone is overlain by argillite and faulting occurs at the contact between these two formations. The dip of the fault planes is to the west at angles of about 45° to 50°. In the case of the Gordon Group, the mineralization is associated with a vertical fault striking northeasterly in dolomitic limestone.

Analysis of the assay data indicates that the ore bodies vary from three feet to 24-feet in thickness with average width sampled 15-feet at 0.5-oz. silver per ton, 0.7% lead and 2.5% zinc. Mr. D.A. Barr of Kennecott has suggested that the average thickness of the ore bodies is of the order of 10-feet.

Continuity is not established along strike, but there is a possibility of a potential of over 20,000,000-tons being developed by mining on Gordon Davies groups of claims. The potential of the whole belt of limestone between the Omineca and Osilinka Rivers is considered to be still greater.

The writer's opinions as expressed herewith are based on an analysis of a series of maps only, but the thought is paramount that we are dealing with likely country and I strongly recommend an inspection of Gordon Davies properties in early June. Minimum time required for the inspection is three weeks.

Clive W. Ball
CLIVE W. BALL,
Chief Geologist.

Vancouver, B.C.
January 17th, 1956

INTRODUCTION

Mr. Gordon Davies of 3606, 32 Street, Vernon, B.C., owns five groups of mineral claims totalling 56 claims in a belt of favourable limestone extending from the Omineca to the Osilinka River. Extensive testing on Davies ground was carried out by Kennecott Explorations (Canada) Ltd. in 1952-1953. The work consisted chiefly of geological mapping, trenching and sampling. The work was very efficiently carried out and the geologist in charge, Mr. D.A. Barr, has kindly passed on to us his general ideas. He concluded that on the strength of the showings, the properties were not attractive enough for the company.

Mr. Davies wrote to us first on December 5th, 1955, asking if we would be interested in the prospects and offered to send detailed maps, etc. On December 8th I replied to Mr. Davies and requested further information. He replied on December 10th and in mid-December forwarded copies of Kennecott maps. The following report is based on a study of these maps without access to Kennecott's report.

REPORT ON GORDON DAVIES MINERAL CLAIMS
BETWEEN OSILINKA AND OMINECA RIVERS
BASED ON PLANS AND SECTIONS BY
KENNECOTT EXPLORATIONS (CANADA) LIMITED
WITHOUT ACCESS TO REPORT

GENERAL

The group of claims owned by Gordon Davies lie in a limestone belt which averages about 1 $\frac{1}{2}$ -miles in width and which extend south from the Osilinka River to the Omineca River, a distance of over 25-miles. The Davies and Gordon Groups lie close to the Osilinka River, while the Bidby, Vernon and Echo Group are close to Nina Lake, which is in the southern sector of the limestone belt, as defined above.

The favourable limestone belt is about 20-miles by road and trail, north of Germansen Landing.

The limestone overlies schist and in turn is overlain by argillite. Since the ore bodies lie within the limestone and generally close to the limestone-argillite contact, it is suggested that the overlying argillite probably exercised an impedance effect in controlling the mineralizing solutions.

Field season extends from about June 15th to the latter part of September.

DESCRIPTION OF GORDON DAVIES PROPERTIES

1. Davies Group - Eighteen claims.

Several showings in dolomitic limestone. Also one showing discovered August, 1955; Davies reports for latter "two samples over average width of 24-feet, averaged 0.8% Pb, 4.8% Zn. The showings lie between 3500 and 4000 feet elevation.

Two samples taken in Davies No.1 cut over an average width of 6.2-feet averaged 0.2-oz. Ag. per ton, Trace lead and 2.9% Zinc. One grab sample in the same cut assayed 0.30-oz. silver per ton, 0.10% lead and 12.8% Zinc, while a second grab sample in the cut ran Tr. Silver, Tr. lead and 0.80% Zn.

In the Elizabeth showing two samples, each over 4.8-feet, ran as follows:

0.45-oz. Silver per ton,
Trace Lead
1.30% Zinc
and
0.10-oz. silver per ton,
Trace lead
2.00% Zinc.

Samples Nos. 372, 373 and 374 taken by Kennecott averaged:

9.1-feet at 0.55-oz. Silver per ton,
0.3% lead and 1.4% Zinc.

The best sample in the Elizabeth showing was taken over 6.5-feet and averaged 1.30-oz. Silver per ton, 0.30% lead and 5.5% Zinc.

One of Kennecott's plans (Plate No. 3 and No. 4) consists of a tree sample grid (bio-geochemical) showing parts per million of zinc in dry plant on parts of the Davies Group. Numerous high readings were obtained, but since they probably are sympathetic with the stream patterns no attempt has been made to prepare contours. According to a note by Gordon Davies on the margin of Plate 3, the area has never been prospected in detail.

A striking structural feature is the presence of faulting at the contact between the favourable limestone and the overlying argillite. The dip of the fault plane is in the same direction as the dip of the limestone strata, namely to the west at an angle of about 45°.

An assay map of part of the Molly and Dolly mineral claims has been studied and the average of the sample widths is 20.6-feet at 0.85-oz. silver per ton, Trace lead and 3.9% Zinc. This was obtained by weighing out the results of nineteen assays.

2. Gordon Group - Six claims.

Four showings occur on the Gordon Group at elevations ranging from 3150 to 4000-feet above sea level. Three showings occur on the Gordon No. 1 Mineral claim. The largest cut is over 100-feet long and 60-feet wide. Average for eight samples for an average width sampled 20.7-feet is 0.11-oz. silver per ton, 0.2% lead and 2.1% Zinc.

Two samples were taken from two small cuts near the south-east corner of the Gordon No. 1 Mineral claim. The first was a grab sample which assayed 0.20-oz. silver per ton, Trace lead and 2.8% Zinc. The second was taken over a width of 9.0-feet and assayed 1.10-oz. silver per ton, 0.85% lead and 5.60% Zinc.

Gordon Davies on the margin of Plate No. 7 shows a small showing on the main trail in the northern portion of the Gordon No. 1 Mineral claim. One sample over 20-feet assayed 1.6-oz. silver per ton, 1.6% lead and 1.17% Zinc. Another sample from the same showing was taken over 7-feet and assayed 1.4-oz. silver per ton, 5.3% lead and 3.2% Zinc. This is a new find.

A prominent gossan outcrops near the northeast corner of Gordon No. 4 Mineral claim. One grab sample ran 0.35-oz. silver per ton, 0.6% lead and 0.9% Zinc.

As in the case of the Davies Group, a tree sample grid was carried out by Kennecott in the area of the showings on the

Gordon Nos.1, 2, 3 and 4 Mineral claims. In the latter case the trains of high anomalies (Plate No.7) bear a definite sympathetic relationship to the stream pattern.

3. Biddy Group - Ten mineral claims

The Biddy Group is approximately 13 miles south of the Davies Group. About nine cuts are shown on the Biddy No.10 M.C. The best results were obtained from Cuts B-1, B-2 and B-3 from which average width sampled is 3.1-feet at 0.75-oz. silver per ton, 0.7% lead and 5.8% Zinc. (This average is based on the result of five assays).

One cut in dolomitic limestone on Biddy No.1 Mineral claim was sampled over six feet for an assay return of 0.95-oz. silver per ton, 0.5% lead and 2.9% Zinc.

Disseminated lead-zinc mineralization has been checked by ten or eleven trenches on the Biddy No.5 Mineral claim. A wide zone of dolomitic limestone is indicated, but no assays are shown.

Important structural feature is the pronounced faulting which has been mapped at the contact between the argillite and *the* limestone which carries the dolomite and lead-zinc horizons.

Structure sections prepared by Kennecott show the geological picture to advantage, and it is considered by the writer that the Biddy Group is attractive enough to warrant testing by diamond drilling.

4. Vernon Group - Twenty mineral claims adjoining the southern end of the Biddy Group and extending to Echo Lake.

- (i) The Western Showings - Plate No.2 shows four showings named A, B, C and D, ranging in elevations from 3400-feet to 3600-feet above sea level. Samples were taken by Kennecott from A and C showings.

A showing has been extensively trenched and eleven samples were taken with average width 10-feet at 1.4-oz. silver per ton, 0.8% lead and 5.0% Zinc.

C showing has four trenches of which only one was sampled. A grab sample ran 0.7-oz. silver per ton, 4.8% lead and 0.3% Zinc. One sample was taken over seven feet width and ran 3.0-oz. silver per ton, 23.9% lead and Trace Zinc.

- (ii) The Eastern Showings - Plates 3 and 4 show a zone of mineralization which has been tested by over 40 trenches over a strike length of 800-feet. The zone is intersected by a strong cross fault and mineralization extends along this fault also. Two other zones of mineralization close to the limestone-argillite contact have been trenched and sampled. The showings range in elevation from 3900-feet to 4120-feet above sea level. The 800-feet zone was sampled over an

average width of 9.7-feet averaging 0.21-oz. silver per ton, trace lead and 1.8% zinc.

Average of five samples taken along the fault zone which trends north-south is 6.6-feet at 0.9-oz. silver per ton, Trace lead and 4.8% Zinc.

A fairly prominent showing about 700-feet north-west of the main 800-feet showing has been sampled in four trenches. Average width sampled is 12.5-feet with average grade 0.17-oz. silver per ton, 0.59% lead and 1.5% Zinc.

30-feet north-west of the latter showing four samples were taken in one cut. Two were grab samples and ran about 3-oz. silver per ton and 30% lead. The two regular samples averaged 13.5-feet at 0.22-oz. silver per ton, 1.2% lead and trace zinc.

Clive W. Ball.

CLIVE W. BALL,
Chief Geologist.

Copy to: Mr. C.W. Clark
Mr. G.A. Gordon

OUTLINE OF TERMS OF AGREEMENT SUGGESTED
BY MR. GORDON DAVIES.

The following is a condensation which will serve to illustrate the preliminary proposals by Gordon Davies as per his letter of January 14th, 1956.

1. The following three main groups to be recognised as separate deals:-
 - i) Davies Group
 - ii) Cordon Group
 - iii) Bidy and Vernon Groups
2. Suggested length of option agreements on each of the above three groups - five years.
3. The prospectors would like to retain a 10% interest in the groups.
4. On signing of option agreements a down payment to be made. Amount not specified.
5. Additional payments on principle can be made yearly, say in December or January.
6. Yearly payments on principle to increase gradually from year to year.
7. In regard to cash principle on groups, Gordon Davies stated they would leave it to the Company interested to make a reasonable offer.

COMMENT:

Field examination is essential before any decision can be made on the type of deal which would suit the Company. However, it is considered advisable to offer Gordon Davies the sum of \$1,000.00 to give us exclusive rights for examination of the property up to August 31st, 1956.

Clive W. Ball.
CLIVE W. BALL,
Chief Geologist.

January 17th, 1956

GORDON DAVIES PROPERTIESSUMMARY OF ASSAY RESULTS

| LOCATION | Width Feet* | A S S A Y | | |
|--------------|----------------|------------------------|-----------|-----------|
| | | Silver Ozs. per ton | Lead % | Zinc % |
| Davies Group | 24.0 | - | 0.8 | 4.8 |
| " " | 6.2 | 0.20 | Tr. | 2.9 |
| " " | 48.0 | 0.45 | Tr. | 1.3 |
| " " | 48.0 | 0.10 | Tr. | 2.0 |
| " " | 9.1 | 0.55 | 0.3 | 1.4 |
| " " | 6.5 | 1.30 | 0.3 | 5.5 |
| " " | 20.6 | 0.85 | Tr. | 3.9 |
| Gordon Group | 20.7 | 0.11 | 0.2 | 2.1 |
| " " | 9.0 | 1.10 | 0.8 | 5.6 |
| " " | 20.0 | 1.60 | 4.6 | 1.1 |
| " " | 7.0 | 1.40 | 5.3 | 3.2 |
| Biddy Group | 3.1 | 0.75 | 0.7 | 5.8 |
| " " | 6.0 | 0.95 | 0.5 | 2.9 |
| Vernon Group | 10.0 | 1.40 | 0.8 | 5.0 |
| " " | 9.7 | 0.21 | Tr. | 1.8 |
| " " | 6.6 | 0.90 | Tr. | 4.8 |
| " " | 12.5 | 0.17 | 0.59 | 1.5 |
| " " | 13.5 | 0.22 | 1.2 | Tr. |

Average grade indicated by above figures is 15-feet at 0.5-oz. silver per ton, 0.7% lead and 2.5% Zinc.

Mr. D. Barr of Kennecott has suggested that the average true width is about 10-feet.

* Not necessarily true widths in this column - sample widths only.

GORDON DAVIES PROPERTIES.

ESTIMATE OF AVERAGE VALUE OF THE ORE.

SILVER

NET VALUE

0.5 ounces Silver per ton.
Assume 80% recovery. Silver at 80-cents
per ounce and payment on 95% of silver in
concentrates.

$$$(0.5 \times .8 \times .95 \times .80) = 0.30$$

\$0.30

LEAD

0.7% lead.
Assume 90% recovery. Lead at 10¢ per
pound. Estimate 8¢ net after smelter
charges. 0.7% is equivalent to
14-lb. lead to the ton of ore.

$$$(14 \times .9 \times .08) = \$1.00$$

\$1.00

ZINC

2.5% Zinc.
Assume 90% recovery. Zinc at 10-cents
per lb. Estimate 6¢ net after smelter
charges. 2.5% is equivalent to
50-lb. Zinc to the ton of ore.

$$$(50 \times .9 \times 0.06) = \$2.70$$

\$2.70

TOTAL

\$4.00

January 17th, 1956

Clive W. Ball.
CLIVE W. BALL,
Chief Geologist.



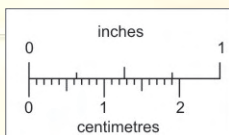
Fault shown thus F + - - - - F

135,000 ft long. or 25 1/2 miles
3000 - 15000 ft wide

OMINECA LIMESTONE
BELT AREA

INDEX MAP

OMINECA MINING DIVISION
B.C.



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

After Kennecott Explorations
map by D.A. Barr 6/11/53
Scale 1 in = 10,000 FT.
Traced Cwb.1
Jan 30, 56