

EXPLORATION  
NTS 103 P/5

WESTERN DISTRICT  
November 29, 1984

GEORES ORE RESERVE STUDY  
HIDDEN CREEK DEPOSITS  
ANYOX

INTRODUCTION

The Anyox property, located on Observatory Inlet, has a history of exploration and production dating back to the early 1900's. Mineralization is of a volcanogenic massive sulphide type with similarities to the Besshi deposits of Japan and to the Windy-Craggy deposit in northwestern British Columbia.

During the period 1914-1935 Granby Mining, Smelting and Power Company operated a mine and smelter on the property. A total of 24,010,235 tons grading 1.56% Cu was produced from the Hidden Creek deposits. An additional 714,192 tons grading 2.15% Cu were produced from the Bonanza Creek mine. At the time of shut-down of mining operations ore reserves were estimated to be 2,204,280 tons at 0.9% Cu for the Hidden Creek deposits. Subsequent work by Cominco during the late 1930's in the area of the number 2-3 zone added an additional 20,200,000 tons grading 0.46% Cu to these reserves.

In 1981 Mitsui and Co. Ltd. optioned the property from Cominco and became managers of the property. Hidden Creek Mines Ltd. was subsequently incorporated by Mitsui as a vehicle for exploration which would conform with Canadian Acts and Regulations. Work by Mitsui included a review and compilation of the old data and the drilling of 16 diamond drill holes in 1982. As a result of their work, Mitsui estimated ore reserves to be 77,000,000 tonnes grading 0.55% Cu-equivalent. There appeared to be some doubt as to the reliability of these ore reserves and a decision was made to computerize the available data and attempt to calculate a new ore reserve for the property.

SUMMARY

Commencing in September, 1983, available diamond drill geological and assay data were computerized using Cominco's GEORES program. Previously mined areas were outlined, digitized and incorporated in the computer data file. From this work a potential Mineralized Ore Reserve was calculated. Potential Reserves for the Hidden Creek area, calculated to a maximum depth of -200 feet, are estimated to be 50,000,000 tons at 0.60% Cu using a peripheral cut-off grade of 0.2% Cu and a tonnage factor of 10.5 (equivalent to a Sp. Gr. of approximately 3.1).

LOCATION AND ACCESS

Longitude: 129°50' W                      Latitude: 55°25' N  
Mining District: Skeena

The Anyox property is located on Granby Bay approximately 80 miles north of Prince Rupert and 18 miles west of Kitsault. Access to the property is by fixed-wing aircraft, boat or helicopter from Prince Rupert, Kitsault or Stewart.

**Property:** Anyox, British Columbia

**Property Status:** Past producer. Drill indicated reserves.

**Mineralization:** Volcanogenic massive sulphides, Copper with zinc, gold and silver.

**Reserves/Grade:** Study by Cominco indicates 49 million tons of 0.65% Cu. Study by Mitsui indicates 77 million tons of 0.55% Cu with potential for 200 million tons low grade adjacent.

**Geological Summary:** The deposit lies at or near the contact of the Tertiary volcanics and overlying argillitic sediments. The deposit is generally believed to be the result of sub-marine exhalative origin.

**Property Location:** 60 Kilometers south of Stewart, 25 kilometers west of Canamax Kitsault moly deposit, on tide water.

**Property Size:** 15 km by 8 km, crown grants and located claims.

**Property Access/Logistics:** Road to Kitsault, boat to Anyox, helicopter from Stewart or fixed wing.

**Historical Record:** Property produced 24 million tons of 1.5% Cu, 0.003 oz/ton Ag and 0.003 oz/ton Au from 1915 to 1935. Shut down August 1935.

**Reports:** BCDMPR from 1915 onward. Internal Cominco, Mitsui and other company technical reports.

**Property Royalties:** 1.5% NSR to Cominco with \$1.5 M ceiling.

**Property Owners:** Moss Management Inc., a private Canadian company, subsidiary of an offshore company.

**Seeking Agreement:** A 49% interest in core claims surrounding Hidden Creek mine for \$1 million cash and staged \$5 million work program on property.

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