

820241

104-0-9

SUMMARY REPORT ON THE
B L U E P R O P E R T Y

Blue #1-9 Claims (81 units)
Liard Mining Division, B.C.

NTS: 104-0-9, 104-P-5,-12

October, 1982

Regional Resources Ltd.

1418-355 Burrard Street, Marine Building, Vancouver, B.C. V6C 2G8
Telephone: (604) 669-3398

October 15, 1982

Gentlemen:

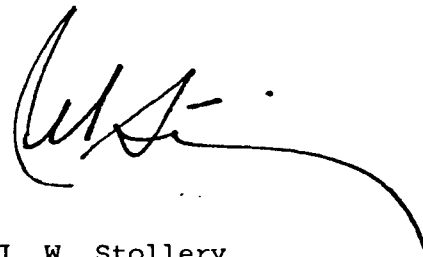
Re: Blue Lead, Zinc, Silver Property
Liard Mining Division, British Columbia

Please find enclosed a summary describing the above property. Samples of mineralization and host rocks, and more detailed geological, geochemical and geophysical information is available.

Regional would be interested in finalizing an option agreement to further explore the potential of this prospect. If you are interested in participating please let me know at your earliest convenience.

Yours very truly

REGIONAL RESOURCES LTD.



J. W. Stollery
President

JWS/z
encl.

SUMMARY REPORT

ON THE

B L U E L E A D , Z I N C , S I L V E R P R O P E R T Y

Blue #1 to 9 Mineral Claims (81 Units)
LIARD MINING DIVISION
Cassiar Area, British Columbia
N.T.S. 104-O-9, 104-P-5,-12
Latitude 59°32'N; Longitude 130°01W

FOR

REGIONAL RESOURCES LTD.

BY

CORDILLERAN ENGINEERING
1418 - 355 Burrard Street
Vancouver, B.C. V6C 2G8

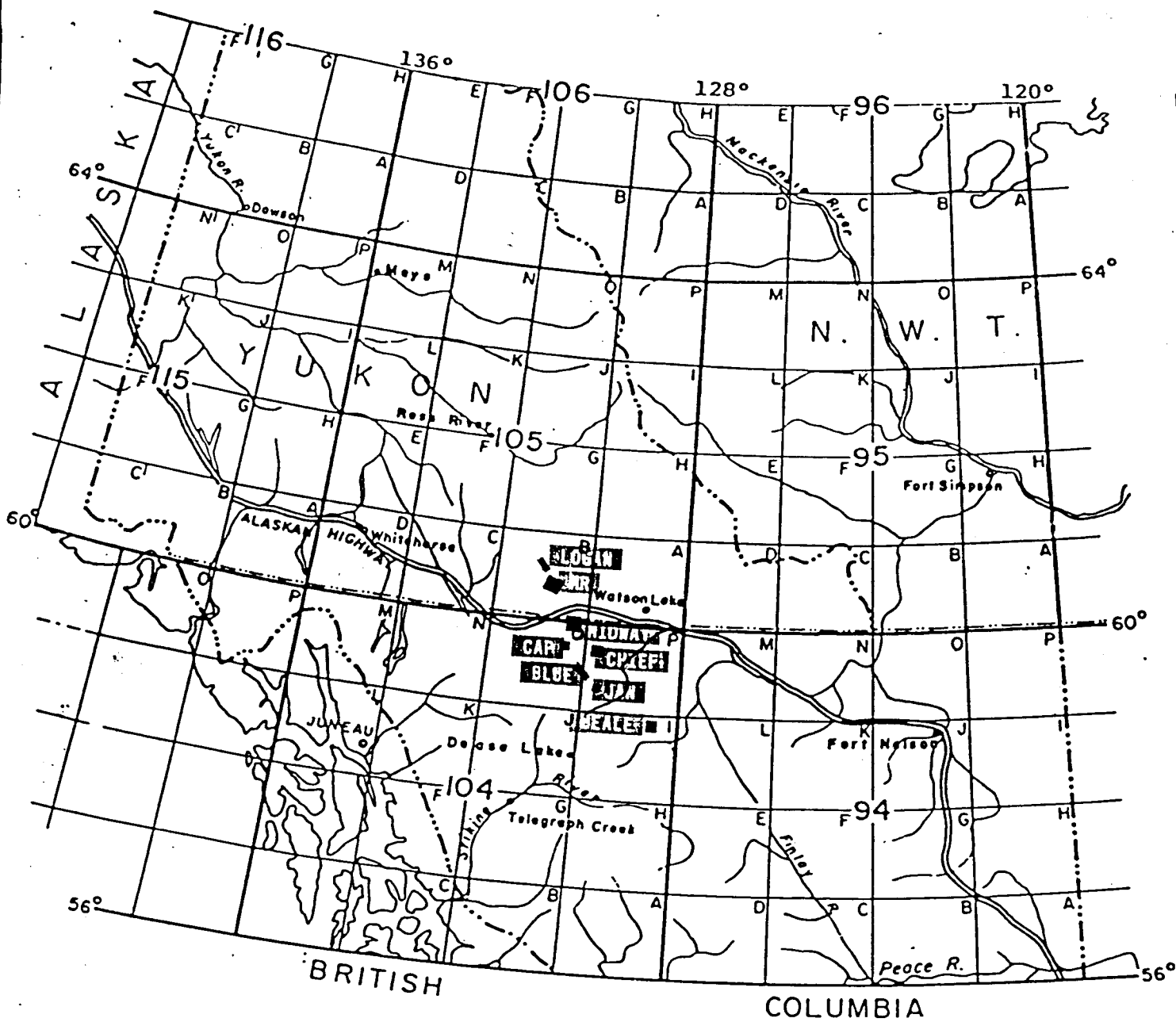
October, 1982

S U M M A R Y

The Blue property consists of nine mineral claims (81 units) located in the Liard Mining Division, 29 km (18 mi) northwest of Cassiar, British Columbia. The initial 4 claims (63 units) were staked in August, 1981, with additional staking (Blue #5-9) completed by September, 1982. Claim acquisition and subsequent work have been conducted by Cordilleran Engineering for Regional Resources Ltd.

The Blue claims primarily cover steep, sparsely-vegetated alpine terrain with moderate exposure of rock units. The property is situated 13 kilometres (8 miles) from an existing gravel road off the Stewart-Cassiar highway; access in 1982 was by helicopter.

Work completed to date includes geological mapping, geochemical soil sampling (953 collected), prospecting and trenching.



REGIONAL RESOURCES LTD.
 PROPERTY LOCATION MAP

SCALE: 1" = 125 MILES

BY

CORDILLERAN ENGINEERING

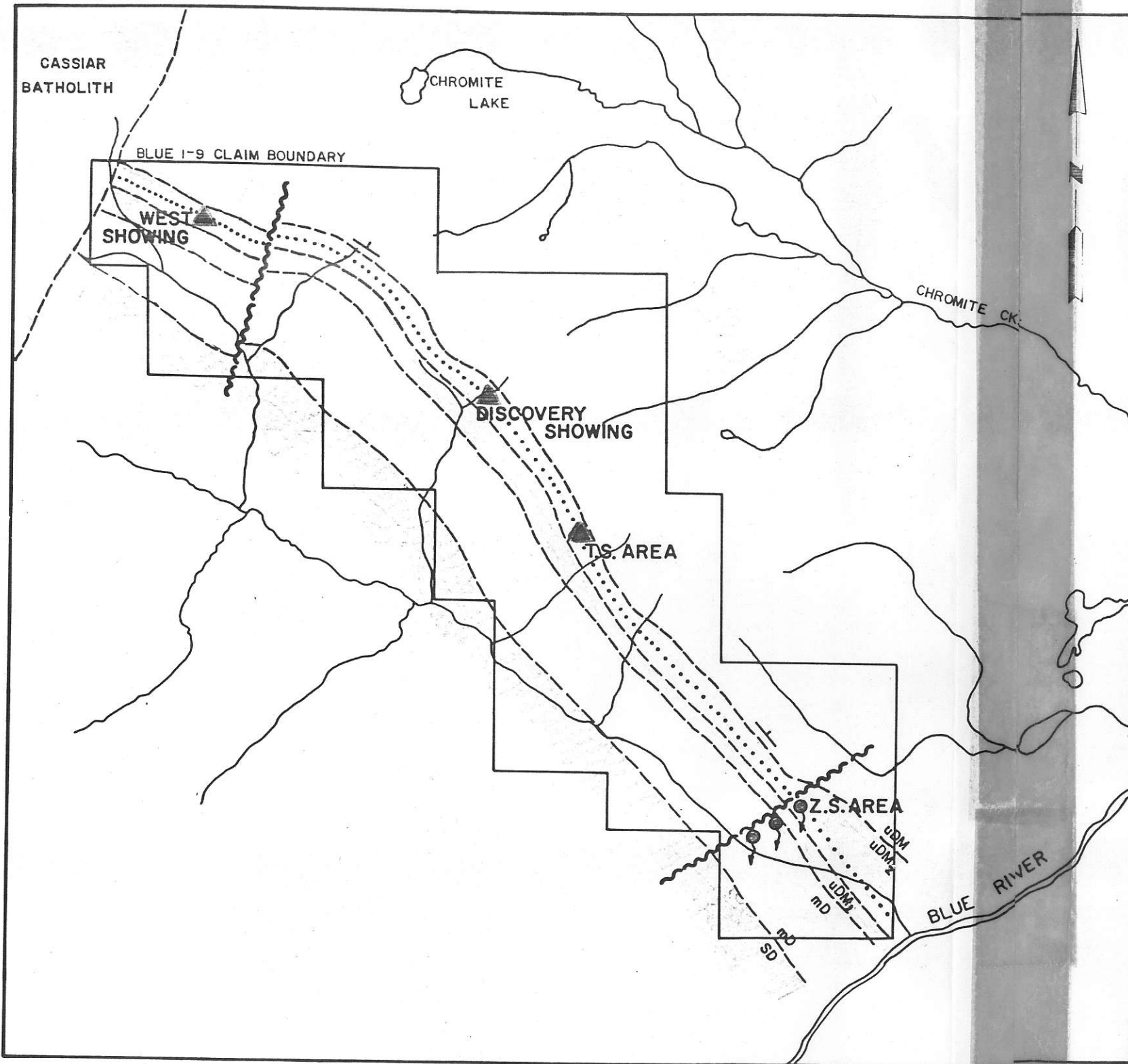
1418 - 355 BARRARD STREET
 VANCOUVER, B.C. V6C 2G8

APRIL, 1982







SUMMARY (cont'd)

Significant Pb-Zn-Ag stratiform mineralization on the Blue property is hosted within Upper Devonian sediments of the Lower Sylvester Group by a pyritic, baritic, siliceous exhalite. This mineralized horizon occupies the same stratigraphic position and is of near identical character to the Discovery and Upper Zones at the Midway property, located 48 kilometres (30 miles) along strike to the northwest.







To date, stratiform galena-sphalerite mineralization has been discovered at four locations. Assays of grab samples from these mineralized locations have included the following outstanding results: 32.54% Pb; 15.30% Zn, 0.5 oz/ton Ag (Discovery Showing); 6.75% Zn, 0.02% Pb, <0.02 oz/ton Ag (West Showing); and 23.70% Pb, 0.24% Zn (T.S. Area). The host siliceous exhalite horizon varies in thickness from 1 to greater than 100 metres and can be traced for over 8 kilometres along strike on the claim group. Strongly anomalous soil geochemistry with values to 730 ppm Pb, 16,860 ppm Zn and 19.0 ppm Ag coincides with this mineralized trend. In addition, a pronounced hydrozincite swamp (Z.S. Area) with a coincident, extensive (900m x 250m) zinc soil anomaly was formed at the break in slope where this siliceous exhalite horizon enters the Blue River valley.



LEGEND

-  CASSIAR BATHOLITH QUARTZ MONZONITE
-  uDM UPPER SYLVESTER VOLCANICS SEDIMENTS
-  uDM₂ LOWER SYLVESTER EXHALITE SILICEOUS ARGILLITE SHALE
-  uDM₁ LOWER SYLVESTER SILTY ARGILLITE SAND & SILT LAMINATED ARGILLITE CALC-ARENITE
-  mD MCDAME LIMESTONE, DOLOSTONE QUARTZITE
-  SD SANDPILE DOLOSTONE

SYMBOLS

-  ASSUMED CONTACT
-  FAULT
-  EXHALITE HORIZON
-  BEDDING
-  HYDROZINCITE SPRING
-  MINERALIZATION

REGIONAL RESOURCES LTD.

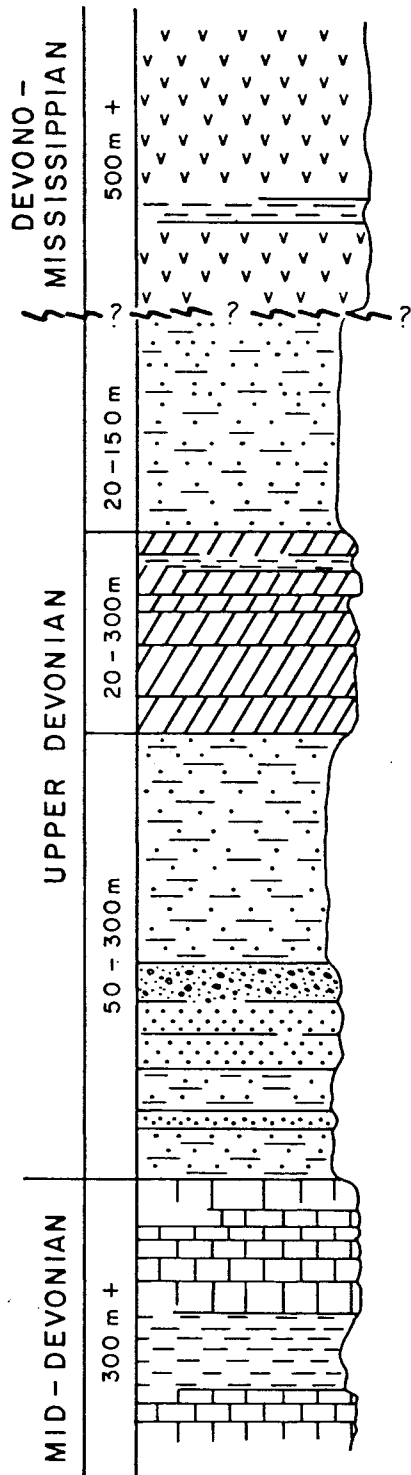
GEOLOGY

BLUE CLAIM GROUP
LIARD MINING DIVISION, B.C.

SCALE : 1:50,000
600 400 0 500 1000

BY
CORDILLERAN ENGINEERING
1418-355 BURNARD STREET
VANCOUVER, B.C. V6C-2G8

PRELIMINARY STRATIGRAPHY BLUE CLAIM GROUP



UPPER SYLVESTER

DM_V INTERCALATED BASIC VOLCANICS, PYROCLASTICS, SHALE AND ULTRAMAFICS.

LOWER SYLVESTER

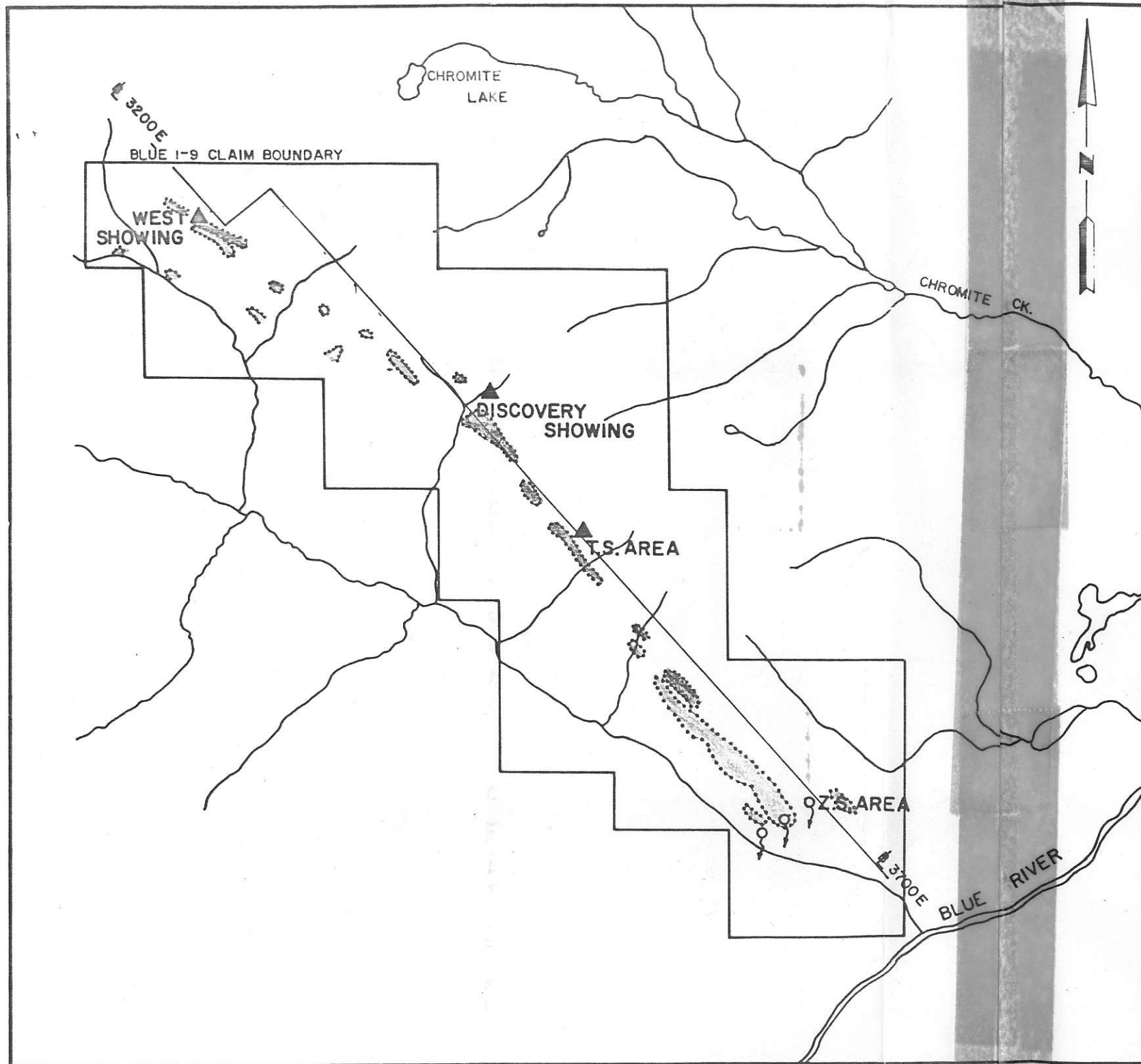
UD_3 ARGILLITE: SILT AND SAND LAMINATED ARGILLITE.

UD_2 EXHALITE: SILICEOUS, BARITIC EXHALITE WITH INTERBEDDED CHERT, SILICEOUS ARGILLITE AND/OR CARBONACEOUS ARGILLITE.
HOSTS Zn-Pb-Ag MINERALIZATION ON THE BLUE.






UD_1 ARGILLITE: SILT AND SAND LAMINATED ARGILLITE WITH COARSENING-UPWARDS SEQUENCE IN LOWER PART.

Mc DAME

mDL LIMESTONE: THIN-BEDDED, MEDIUM TO FINELY CRYSTALLINE, FETID GREY CRINOIDAL LIMESTONE. CONTAINS SECTIONS OF CLASTICS



SYMBOLS

-  COINCIDENT GEOCHEMICAL ANOMALY, Pb >100, Zn >1000
-  >100 PPM. LEAD IN SOIL
-  >1000 PPM. ZINC IN SOIL
-  HYDROZINCITE SPRING
-  MINERALIZATION

REGIONAL RESOURCES LTD.

GEOCHEMISTRY

BLUE CLAIM GROUP
LIARD MINING DIVISION, B.C.

SCALE : 1:50,000
600 400 0 500 1000

BY
CORDILLERAN ENGINEERING
1418-355 BURRARD STREET
VANCOUVER, B.C. V6C-2G8

SUMMARY (cont'd)

In addition to the stratiform shale-hosted type mineralization, the Blue property offers excellent potential for locating an epigenetic carbonate-hosted Pb-Zn-Ag deposit. Again, a direct comparison can be made with the Midway property, where diamond drilling has intersected massive sulphides within the McDame limestone assaying 15.8% Pb+Zn and 18.4 oz/ton Ag over 29.2 **feet** (DDH MW82-8). At the Blue property, grab samples of highly oxidized surface mineralization from a similar stratigraphic position have assayed up to 2.04% Zn. Strongly anomalous soil samples (values to 9250 ppm Zn) suggest a potential strike length in excess of 1300 metres for this lower stratabound mineralization.

C O N C L U S I O N S

Significant surface exposures of stratiform, shale-hosted Pb-Zn-Ag mineralization are found within a pyritic, baritic, siliceous exhalite on the Blue property. This horizon can be traced over 8 kilometres (5 miles) of strike length with strong coincident Pb-Zn-Ag soil anomalies. A major zone of hydrozincite accumulation is found at the break in slope where this exhalite horizon enters the Blue River valley. In addition, carbonate-hosted mineralization has been detected, with an accompanying geochemical anomaly extending over 1300 metres.

A direct parallel can be drawn between the Blue property and major shale hosted Pb-Zn-Ag deposits of Upper Devonian age. The deposits found in the Gataga District of northeastern British Columbia and the Macmillan Pass District of east-central Yukon Territory are all of similar age, depositional environment and genesis. A further direct comparison can be made with the Midway property lying 45 kilometres (28 miles) along strike to the northwest. Mineralized exhalites exposed on the Blue claims are similar

CONCLUSIONS (cont'd)

to those intersected by diamond drilling on the Midway property which have assayed up to 8.62% Zn, 0.67% Pb and 5.03 oz/ton Ag over a thickness of 7.1 metres (DDH MW81-5). In addition, good potential exists for locating a carbonate-hosted massive sulphide deposit on the Blue claims comparable to the significant Lower Zone intersected by recent diamond drilling on the Midway property.

These features strongly suggest that further exploration has a high probability of locating economic massive sulphide mineralization on the Blue property.

R E C O M M E N D A T I O N S

The following success-contingent program is recommended on the Blue claim group:

PHASE I

- Orthophoto map preparation (1:2000)
- Road construction (10 miles), camp and drill mobilization, drill site preparation
- Ground geophysics (VLF test across Sylvester-McDame contact and exhalite horizons)
- Detailed geological mapping (1:250) at proposed drill locations
- Diamond drilling (NQWL) on the West, Discovery, T.S. and Zinc Swamp (Z.S.) areas - Allow 3500 metres.

PHASE II

Contingent upon the success of Phase I, an extensive diamond drilling program would be warranted: Allow 10,000 metres.

PROPOSED EXPLORATION PROGRAM

BLUE PROPERTY

PHASE I

- Orthophoto map preparation (1:2000)
- Construction of access road (10 miles)
- Mobilization of diamond drill, fuel, lumber and camp supplies
- Geophysics: Ground EM (VLF) test survey across the Sylvester-McDame contact and across extensions of mineralized exhalite horizons.
- Detailed Geological Mapping: detailed mapping at a scale of 1:250 adjacent to proposed drill sites at the West, Discovery and TS areas.
- Detailed Site Preparation: because of unfavourable terrain in the West Area, drill sites may have to be prepared by hand and the drill moved by helicopter
- Diamond Drilling (NQWL): on West, Discovery, T.S. and Z.S. areas. Allow 4 holes totalling 850 metres for each of the four mineralized areas: Total 3500 metres.

PHASE II

Diamond Drilling (NQWL):

- contingent upon the success of Phase I, extensive diamond drilling program to evaluate the West, Discovery, T.S. and Z.S. areas

Allow	8,000 metres
-------------	--------------
- contingent upon locating a significant conductor at the Sylvester-McDame contact area (Midway Lower Zone equivalent), drill test

Allow	<u>2,000 metres</u>
Total drilling	<u>10,000 metres</u>