

820244

D.A.
copy

Property Review
Silver Knife
1040/16W

PROPERTY NAME: SILVERKNIFE

PROPERTY/PROJECT DATA FORM

Date: 8 Mar 86

ACTIVE FILE: Y or N

CLAIM NAMES: SILVER^{KNIFE} 1 & 2

LOCATION - (36 units)

REGION: Rancheria

PROVINCE/STATE: BC

N.T.S./Twp.-Rnge 104-0-16W

Lat/Long: 59°56'N, 130°22'W

COMMODITY: Ag, Zn, Pb

OWNERSHIP -

Owner(s): Reg Resources Corp.

Contact: John Robertson

Tel.No: 278-4455

Address: 216-8055 Anderson Rd
Richmond, B.C. V6Y 1S2

INITIATION -

Initiator: RD or Robertson

Date: 4 Mar. 86

Submittal: Y or N

Solicitation: Y or N

STATUS -

Data Studied: or N (D.A)

Exam planned: Y or N

Examined on: _____

By: _____

RECOMMENDATION -

Recommended: Y or N

Toronto Approval: Y or N

Owner Notified: Y or N

Report Written: Y or N

LEGAL -

Underway: Y or N

Completed: Y or N

DATA -

Returnable: Y or N

Returned: Y or N

File No: _____

File Location: _____

Monthly Reports: _____

Other Refs: _____

KEY QUESTION(s):

Interpretation of type &
orientation of mineralization

CAPSULE DESCRIPTION (Incl.legal): Drilling in a largely overburden covered area 3km NW of the Midway deposit has revealed widespread Ag-Zn-Pb mineralization of locally high grade. An initial analyses suggests several 10's of 1000's of tons of material with gross in place value at current prices of about \$100 Can. per ton over mineable widths. The host is locally dolomitized locally arenaceous carbonate of uncertain age. Geometry of deposit is unclear. There is good to excellent potential for extending the tonnage is this small but well located claim group.

SETTING:

From the point of view of access and geology this property is good to very good. The Midway deposit is 3 km or so to the East, and showings and/or intersections are widespread. There is some confusion in the literature with respect to host rocks but if, as Ken Dawson suggests, the deposits are Tertiary, the age of host may not be important (see attached page 4).

Medford suggests the Silverknife host carbonates are highly deformed. The drill logs imply moderate folding and some - not extensive - faulting. One drill section has an implied vertical offset of 70m. There is some indication (page 4 attached) that bedding may be NE striking with moderate SE dips.

MINERALIZATION:

Drill intersections on the Silverknife are characterized by very high Ag-Pb-Zn grades over a fraction of a metre within a low grade halo metres to 10's of metres wide. Minor Au and Sn occur with the best grade sulphides. The high grade zones are dolomitized layers or quartz veins. Textures are not well described in the logs but appear to vary from crystalline to brecciated. Sheared walls appear to be absent. Manganese is common in at least one mineralized section.

Medford has suggested a $N60^{\circ}E$ strike, $65^{\circ}NW$ dip for the mineralization, mainly. I suspect, from the relation of intersections in holes 19 and 20*. This would be in agreement with one of the main possibilities for bedding strike, but not for bedding dip.

I have not been able to improve on Medford's postulation in a big way, but favour somewhat a

* as well as presence of intersections in holes 4 and 29.

horizontal orientation. The evidence is:

- A suggestive clustering of intersections when plotted at depth below surface
- Common vertical separations between intersections which "go awry" as soon as one leaves the horizontal.
- The similarity of intersections in holes 15, 18 and 22 with respect to bimodal distribution of high grade material and presence of Sn. All 3 are at a 58m depth. All 3 are high grade.

Ultimately a model and/or more drilling will be necessary to clarify the orientation of mineralization. Even minor faulting can play havoc with either of the above postulations. The difference is crucial to the extent that:

- a horizontal orientation means greater true widths.
- drill delineation of a 58m horizon would be cheap and rapid.

Having established a half truth, let us build merrily upon it. The aforementioned 58m horizon would trend ENE with a width — to judge by peripheral non-intersections — of about 40m. Assuming a minimum length of 90m, and taking the 4 pertinent intersections (crude arithmetic average), we have:

44,000 tons @ 5.1oz/t Ag, 2.9% Pb, 4.1% Zn (over 4.1m)
 or 18,000 tons @ 7.4oz/t Ag, 4.3% Pb, 5.8% Zn (over 1.73m)

These correspond to gross in place values at Jan. 86 prices of \$83.48 (Can.) and \$120.30 (Can.) respectively

If we consider net values and loss of width should the mineralization turn out to be non-horizontal, this result is not too glamorous. On the other hand there are no zero grade wall rocks and other intersections (see holes 22 and 26) have higher grades.

INTERPRETATION

No single interpretation, be it fault-controlled, irregular replacement, manto, or even bedding-controlled can be entirely ruled out at this stage.

A horizontal orientation, if present, would be parallel to the presumably eroded overlying thrust base of the Sylvestre Allochthon. Hence great areal extent would be favoured. Medford believes the thrust is present at the SW corner of the Silverknife claims.

Without draughting the core logs and computer-modelling, much remains unclear.

EXPLORATION

The Silverknife discovery is essentially blind and only drilling will further delineate it. There are however other targets (geochemical / EM) further up the hill on the Silverknife claims.

DEAL

Reg Resources has spent ~\$300,000 so far. John Robertson would like to get this back as 3-100,000 payments over 3 years, in return for which (if I understood him rightly) he would issue us 300,000 - 1. shares.

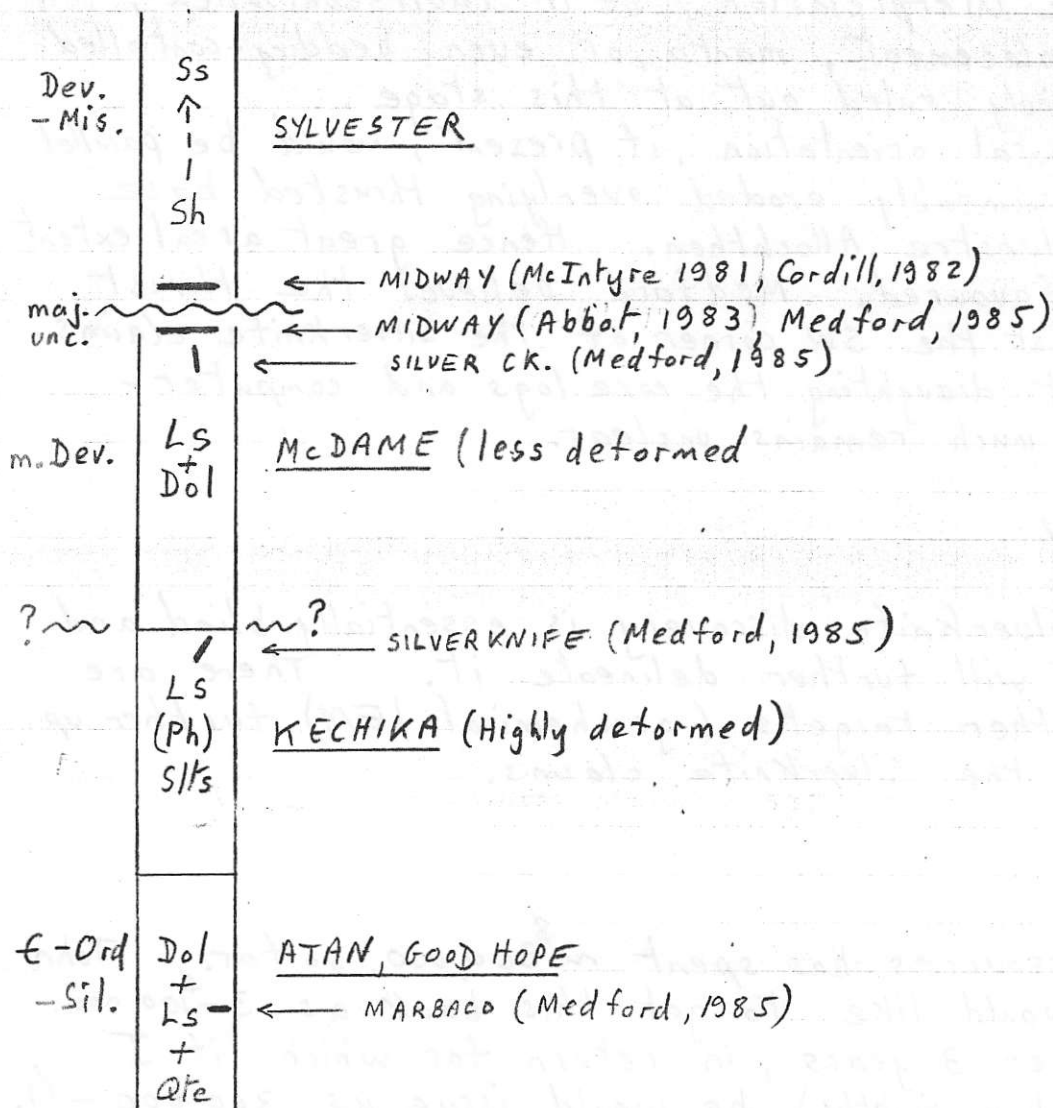
Further we would have to spend \$4 to 5 million to earn 51%. Reg Resources could then be diluted to a 20% Net Profits position.

A second block of ground, now under option by Reg Resources to Packard Resources, immediately to the west, could be added under some unspecified arrangement.

CONCLUSIONS

The selling - more than the discovery itself - make this a worthwhile property, but I hesitate to recommend acquisition unless the deal could be severely modified.

D.A.

MIDWAY AREAHosts (Pb Zn Ag)Controls

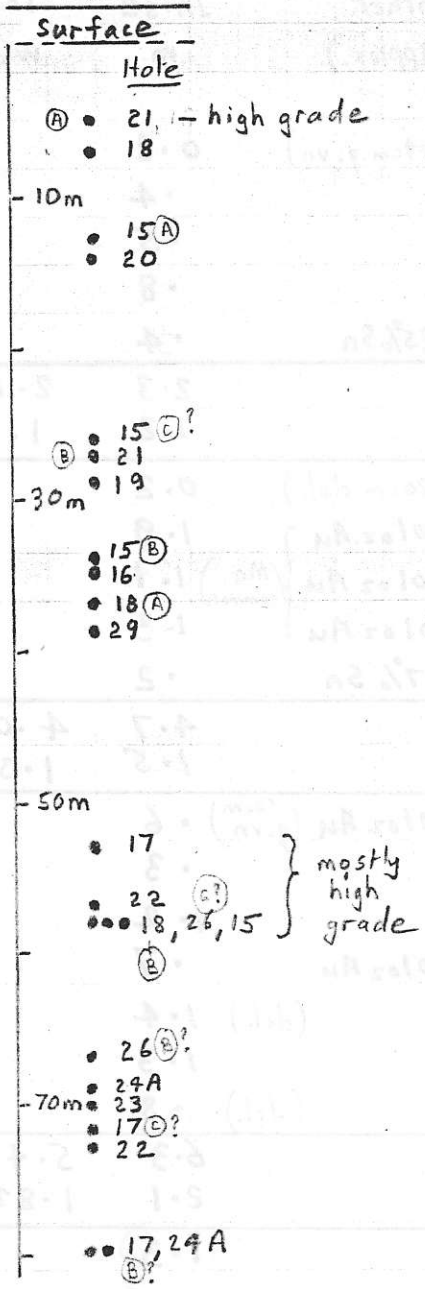
Bedding
 Faults
 Karst?
 Unconformity?
 Ls-Arg/Ls-Ph contacts
Age of Mineralization

Cret. bath - 13 vn. groups
 Dev.-Miss - Midway?
 m. Dev. - silvertip vn., Midway?
 Sil.-Dev. - vns or rcpmts (3)
 Cam. - 6 to 8 vns, 5 to 7 rcpmts.

Dawson suggests Midway is Tertiary (Pb iso.)
 Medford says therefore, any age host is o.k.

SILVERKNIFE DRILLING

DEPTHS OF TOPS OF INTERSECTIONS



Possibilities for strike/dip of mineralization:

- (1) Flat (implied by table at left, holes 15 & 18, min 212 match)
- (2) N60°E, 67°NW (Medford, + holes 19/20 rel/2)
- (3) NW, 33°SW (same intervals)
- (4) NNE, ? (match of 58m pts, 15 & 18)

Bedding:

Hole	To core axis	Dip Hole
18	70 to 85	- 60
15	45 to 60°	- 70
16	25 to 30	- 70
17	55 to 90	- 70
19	55 to 60	- 70
20	60	- 75
21	60	- 75
22	45	- 60
23	30 to 45	- 55
24A	30 to 40	- 55
26	30	- 60
27	65	- 85

Rough graphics → bedding

strike	dip	source
N60E	SE, mod-shall.	26, 17
or N50W	SW, " "	
N38E	SE, mod	15, 16
or N85W	S, mod.	
N50W	NE steep	23
or N50E	NW steep	
NEly		collar lithols.
NE		EM conds
NE		some gchm
NNW		some gchm

Common separations:
 21m - 21, 18, 15, (17)
 8m - 15, 17, 26

∴ Most likely bedding is NE/SE mod.

BEST INTERSECTIONS (1)

SILVERKNIFE

Hole #	Approx. Vert. Depth, m	Ag oz/t	Pb %	Zn %	other (approx.)	Intsn m.	True? * width, m.			
15	58	5.2	1.04	7.1	1.42	15.5	3.10 (19cm g.vn)	0.2		
		.2	.08	.2	.08	.2	.08	.4		
		.2	.10	.2	.10	.9	.45	.5		
		.2	.16	.1	.08	.9	.72	.8		
		5.4	2.32	.5	.20	16.2	6.48	.25% Sn	.4	
		1.6	3.7	0.8	1.88	4.7	10.83	2.3	2.16	
		or 2.0	2.06	0.2	.23	6.0	6.0	1.2	1.13	
18	58	44.9		26.3		22.5	(20cm dol.)	0.2		
		7.3		1.4		3.0	.01oz Au	1.9		
		.4		.1		.8	.01oz Au	(Mn common)	1.1	
		.3		.1		.6	.01oz Au		1.3	
		65.0		17.8		8.0	.17% Sn	.2		
		7.8		2.5		2.9		4.7	4.07	
		or 8.9	8.9	2.5	2.5	3.6	3.6	1.5	1.30	
22	57	36.7	22.02	45.8	27.48	9.1	5.46	.01oz Au (50cm g.vn)	.6	
		1.2	.36	1.1	.33	3.5	1.05		.3	
		.8	.96	.3	.36	8.7	10.44		1.2	
		.9	.63	.9	.63	3.0	2.10	.01oz Au	.7	
		2.9	4.06	2.3	3.22	6.7	9.38		(dol.)	1.4
		.3	.39	.3	.39	.7	.91			1.3
		11.55	9.24	15.0	12.00	2.1	1.68		(dol.)	.8
		6.0	37.56	7.1	44.81	4.9	31.02	6.3	5.47	
		or 11.1		13.4		8.1		2.1	1.82	
26	58	(.8)		(.3)		(4.8)		(1.3)		
		6.7	10.05	.7	1.05	5.0	7.5		1.5	
		8.5	13.6	3.2	5.12	4.2	6.72	.01oz Au (dol)	1.6	
		.4	.64	.2	.32	.1	.16		1.6	
		5.4	3.78	1.6	1.12	9.8	5.86	.01oz Au	.7	
				5.2	28.07	1.4		3.9		5.4
		or 7.6		1.1		4.6		3.1	2.69	

* Based on assumption of horizontal control.

BEST INTERSECTIONS (2)
SILVERKNIFE

21	<5	36.3	12.8	9.4	.02oz Au (Dol.)	.6
		64.4	30.5	12.0	.02oz Au (Dol.)	.6
		20.2	5.7	5.6	.01oz Au	3.1
		29.0	10.2	7.0		4.3 3.74
		or +38.8	+16.2	+7.9 (diluted)		1.6 1.50

17	53	2.8 3.08	8.2 9.02	.1 .11	(cal.vns)	1.1
		20.4 8.16	23.4 9.36	7.5 3.0	(qtz)	.4
		7.5	12.2	2.1		1.5 1.41

24A	80	7.1 12.78	1.1 1.98	4.6 8.28	.01oz Au (Dol-Ls bx)	.8
		11.7 17.98	3.0 5.1	1.7 2.89	(Ls)	1.3
		(1.3)	(.5)	(5.8)		(3.4)
		6.8	1.5	2.3		4.8 3.82
		or 11.7	3.0	1.7		1.7 1.40

4	29	.6 1.14	.2 .38	4.9 9.31		1.9
		116.7 17.50	66.4 9.96	2.2 .33	(15cm vn)	.15
		10.9 2.72	5.9 4.72	6.6 5.28		0.8
		9.6	5.3	5.2		2.85 2.68
		or +16.3	+9.1	+3.5 (diluted)		1.6 1.5

4	+30	17.6 12.32	9.2 6.44	4.7 3.29	(Dol.)	0.7
		.3 .06	.1 .02	.7 .14		0.2
		.6 .20	.3 .45	2.0 3.0		1.5
		5.5	2.9	2.7		2.4 2.26
		or +11.7	+6.1	+3.1		1.6 1.5

Gross Value, in place

Ag @ 7.00 /oz.
Pb @ .23 /lb
Zn @ .42 /lb.

Hole #	\$ Can	Hole #	\$ Can.
15	54.36 / 2.16m	21	308.80 / 3.74m
	or 65.32 / 1.13m		or + 412.48 / 1.50m
18	90.46 / 4.07m	17	126.26 / 1.41m
	or 104.04 / 1.3m		
22	115.82 / 5.47m	24A	73.82 / 3.82m
	or 207.38 / 1.82m		or 109.98 / 1.40m
26	75.60 / 4.68m	4	135.26 / 2.68m
	or 96.90 / 2.69m		or +185.36 / 1.50m
		4	74.44 / 2.26m

REG RESOURCES CORP.

REGIONAL GEOLOGY
MIDWAY AREA

B J PRICE 1983

MD: McDAME DOLOMITE
L.Syl: Lower SYLVESTER
U.Syl: Upper SYLVESTER

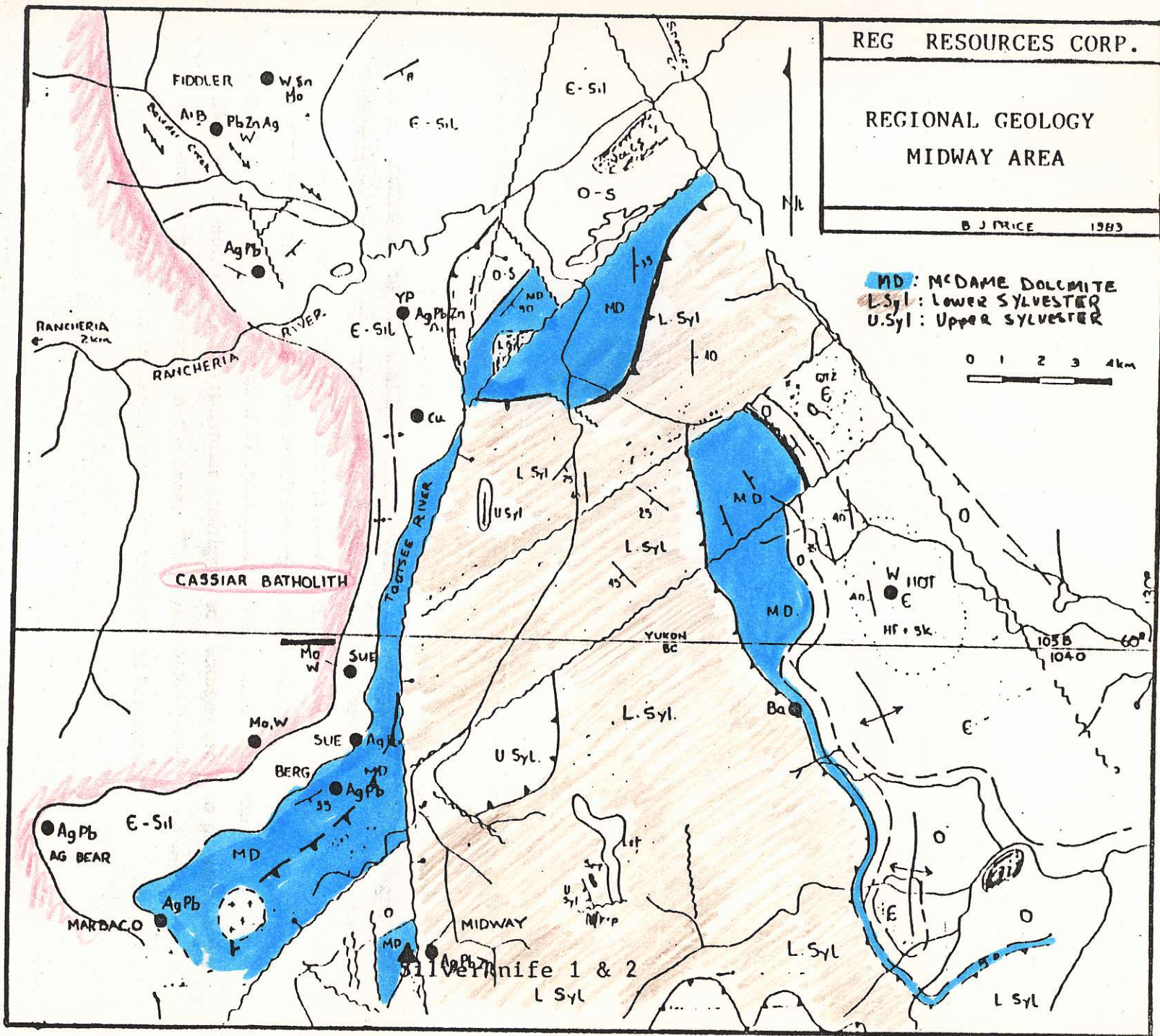
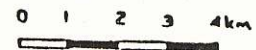
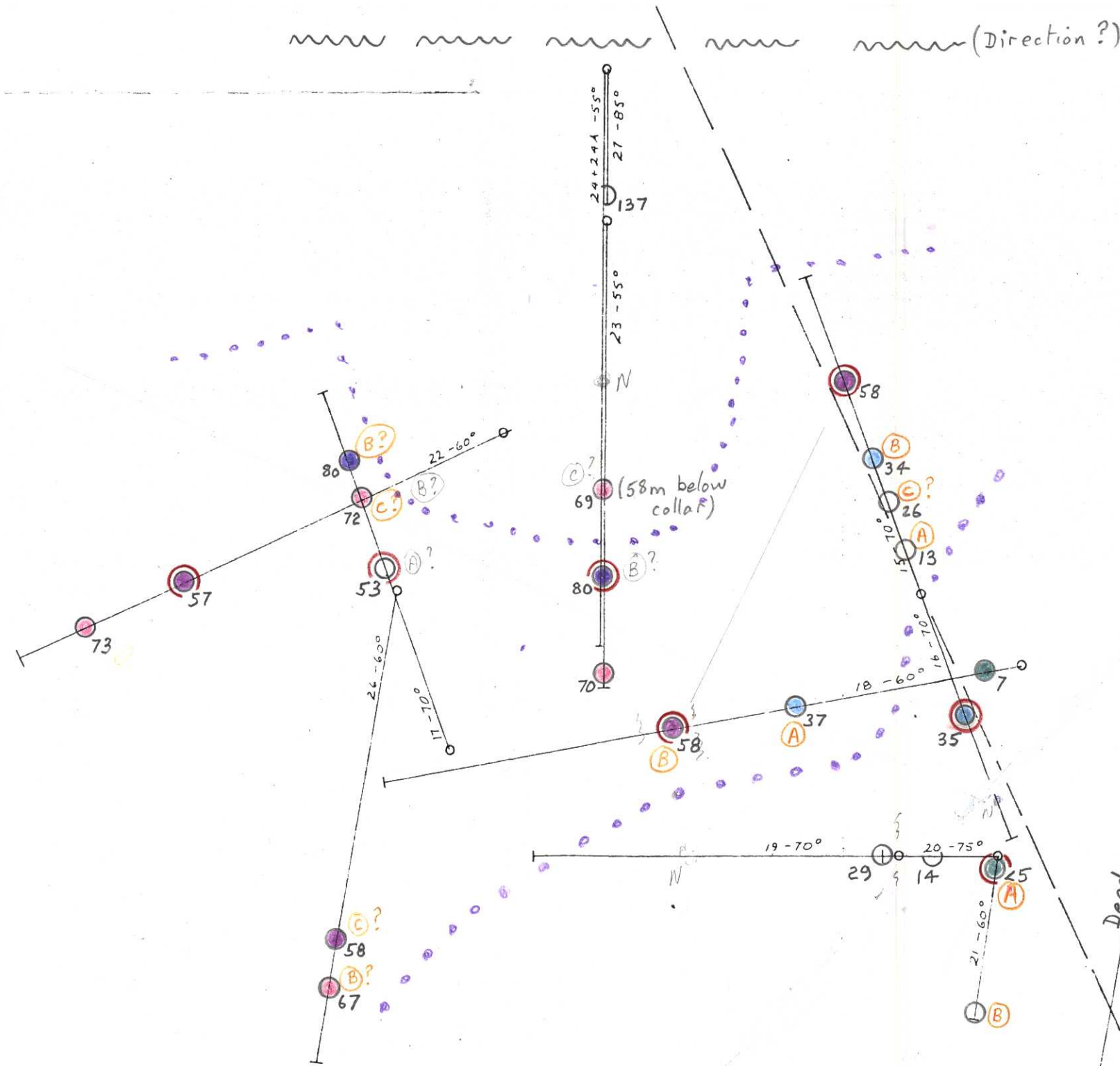


FIGURE 3

G.A. MIDDIFORD Geological Exploration Consulting



28-70°

29-60°

10 METRES



inches



centimetres



○ Vertical Projection of intersection with depth below 1100m level

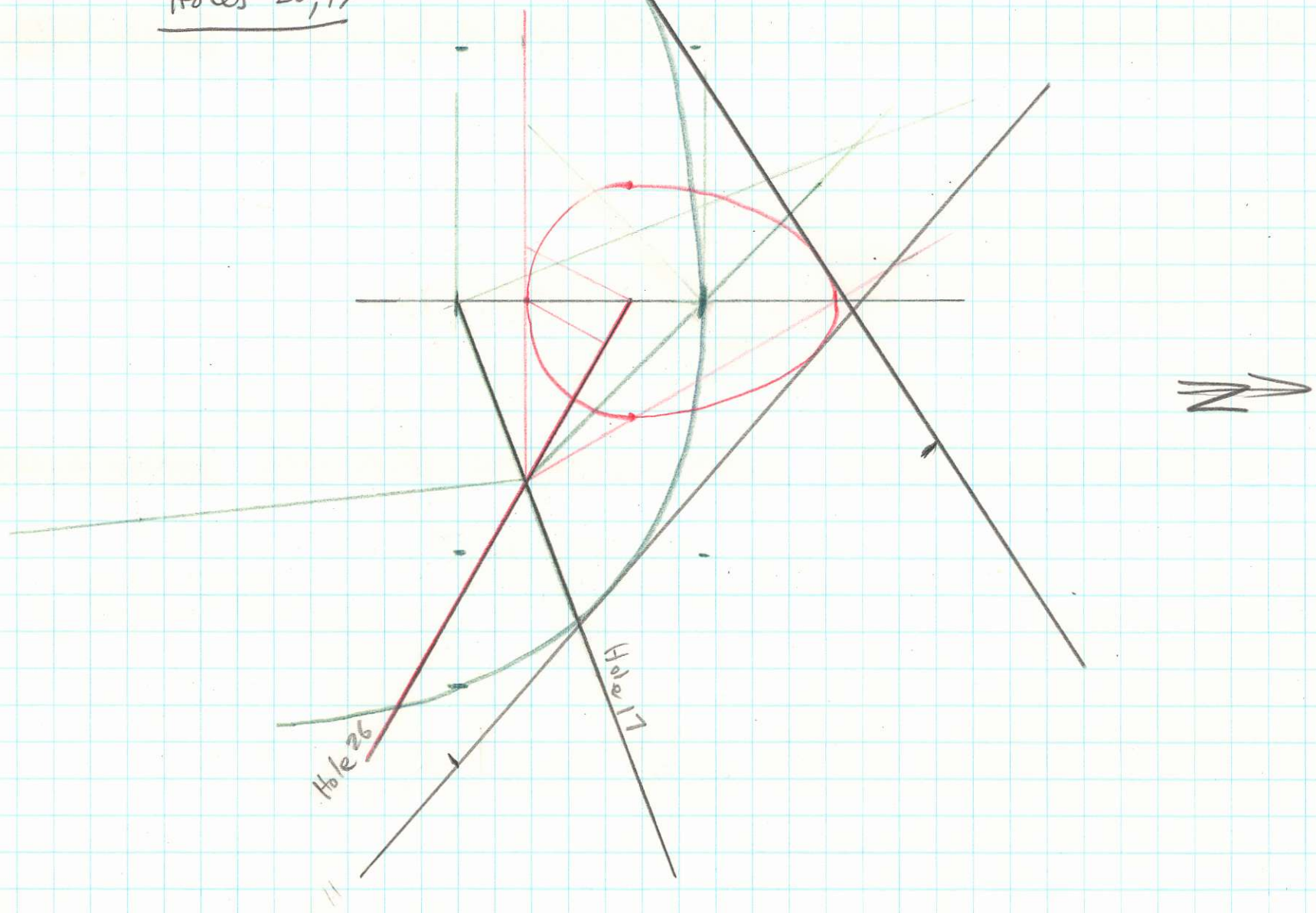
○ Better intersections

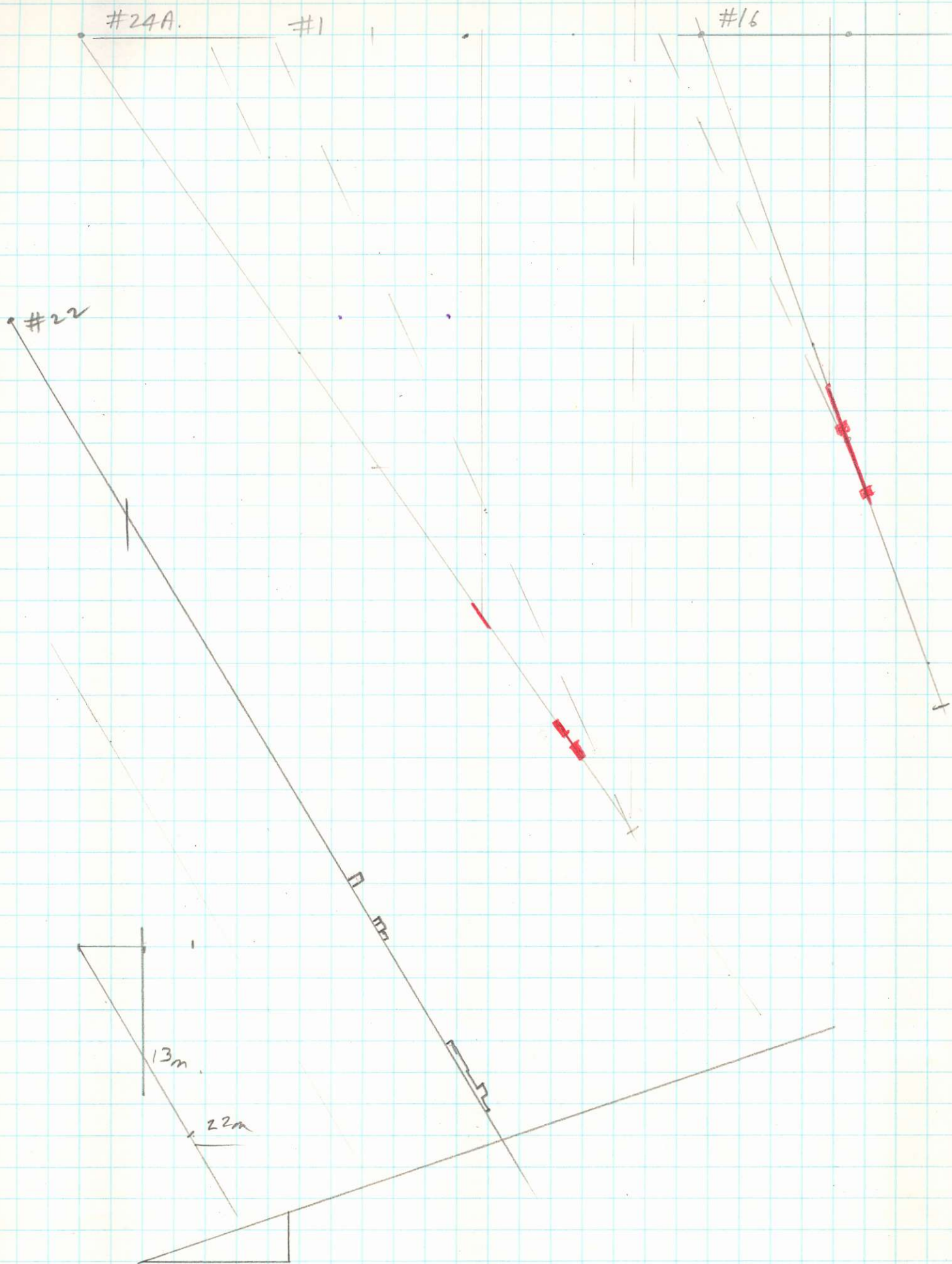
VERTICAL SECTION LINE 156°
SEE PLATE 2

NOTE: ALL DRILL HOLE ELEVATIONS 1100 M
EXCEPT #4 1146 m
#23 1096 m
#24 1090 m
#27 1090 m
(ALTIMETER MEASUREMENT)

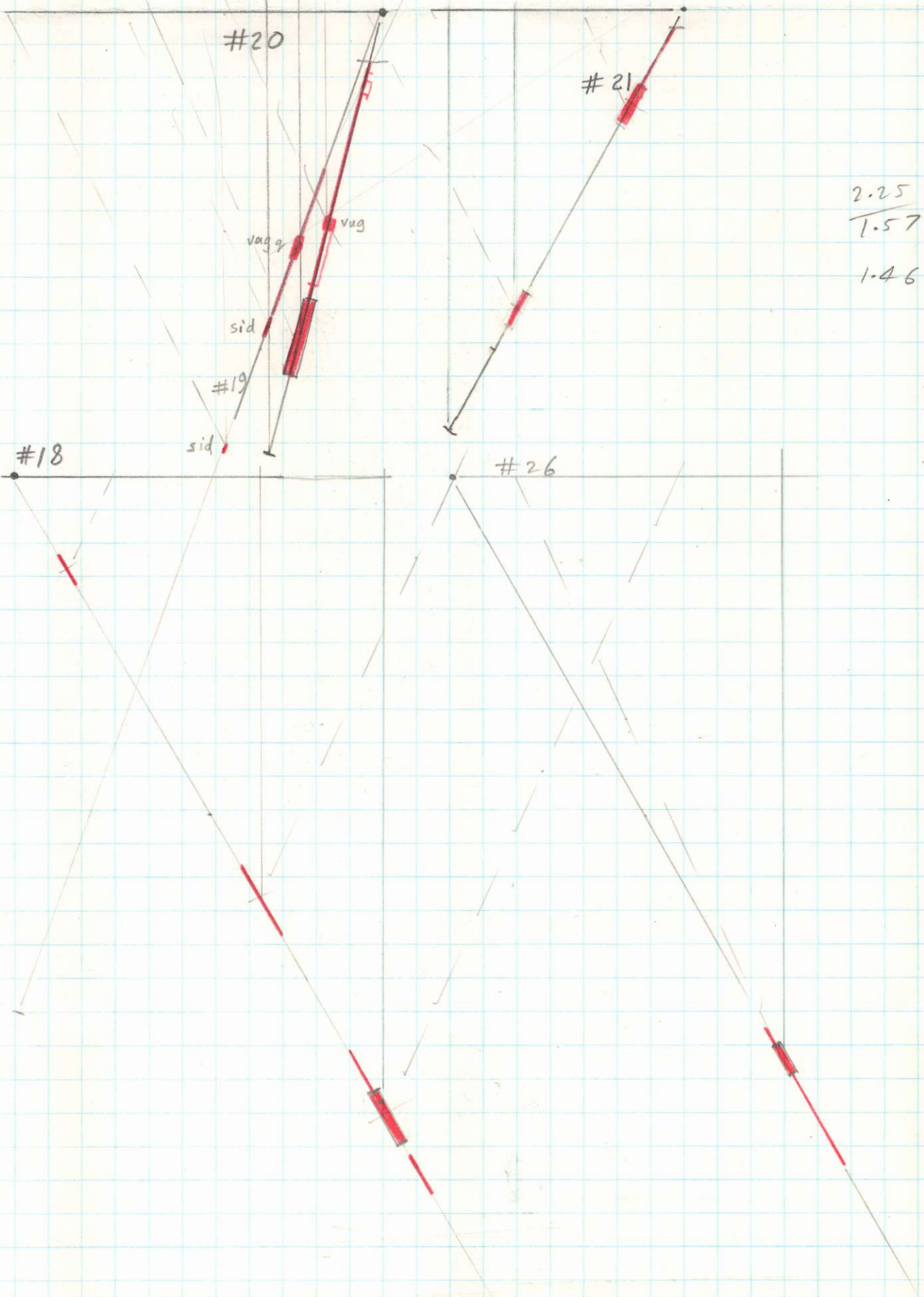
REG RESOURCES CORP.
SILVERKNIFE 1&2 CLAIMS
LIARD M.D., B.C.
DRILL PLAN
OF THE
DISCOVERY ZONE

Holes 26, 17

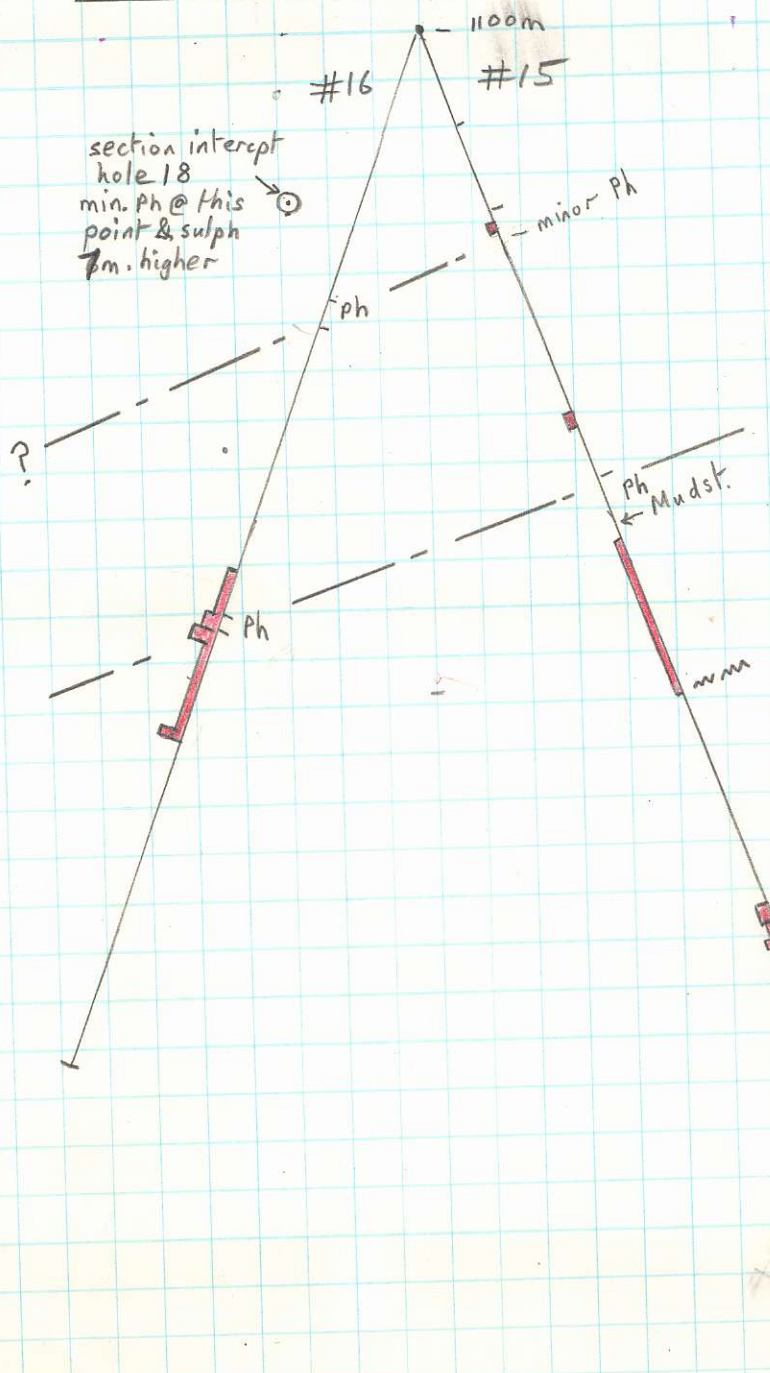




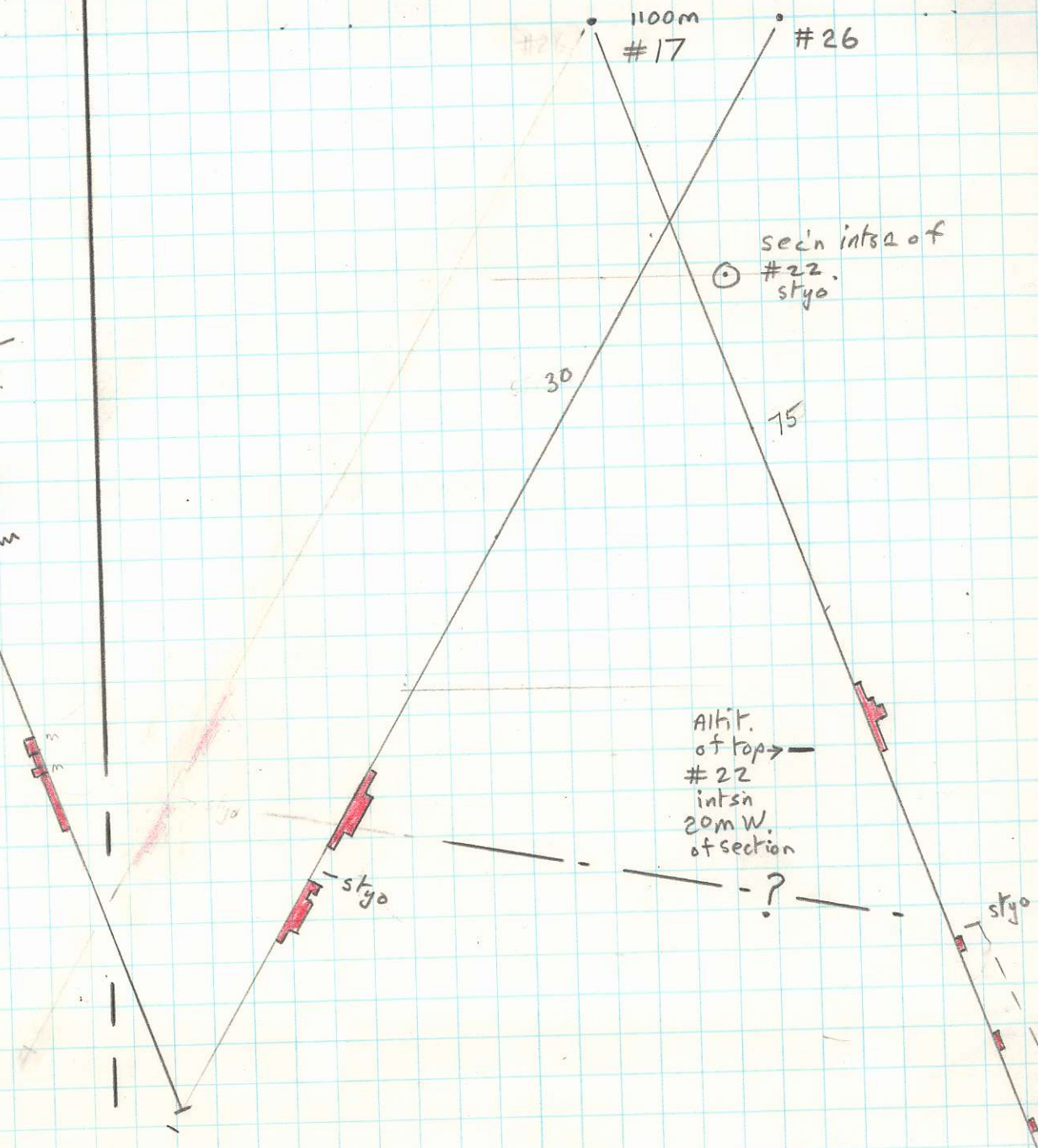
21



VERT. SEC'N - #15, #16



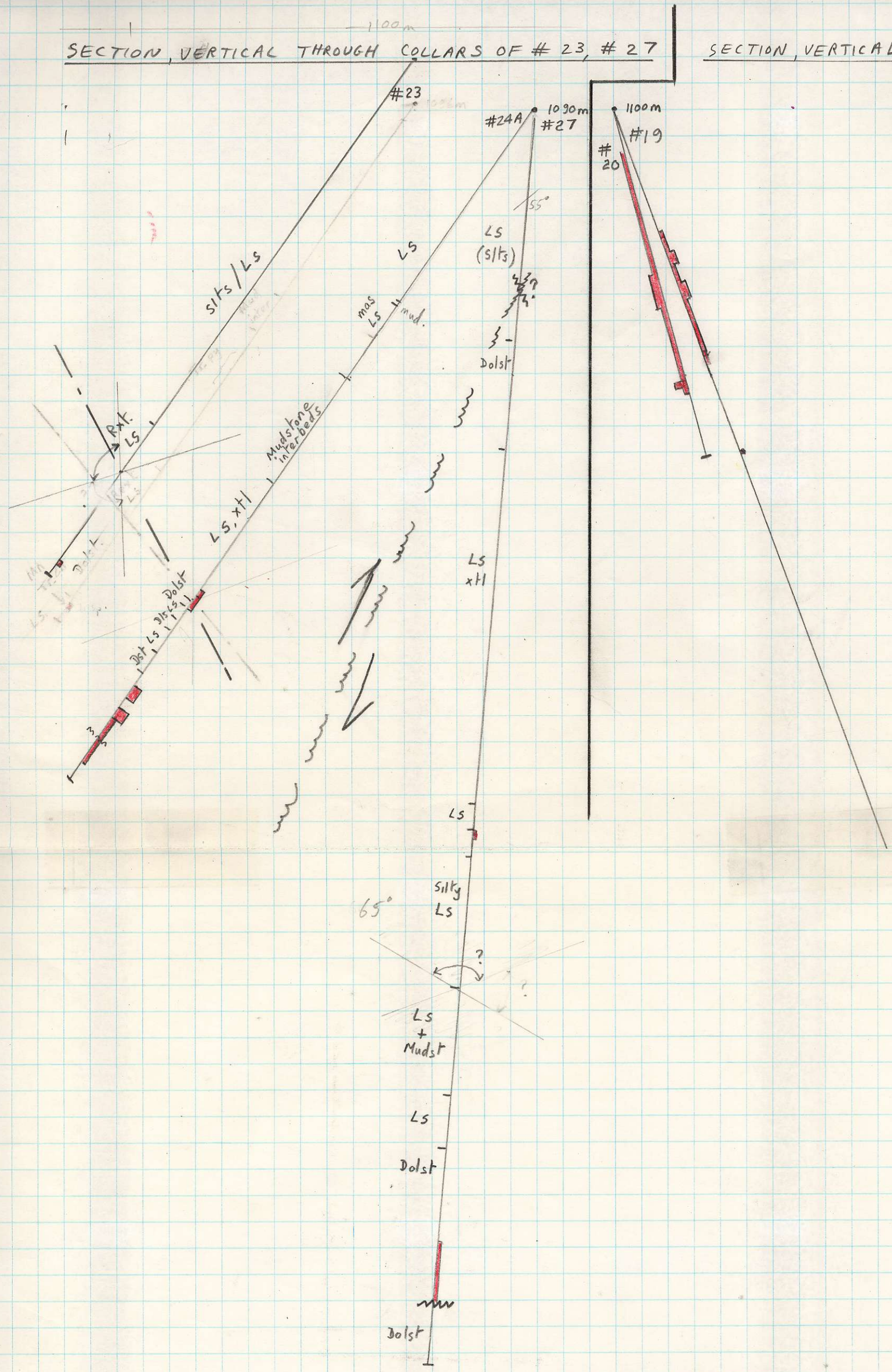
VERT SEC'N #26, #17, NS,
(slightly distorted)

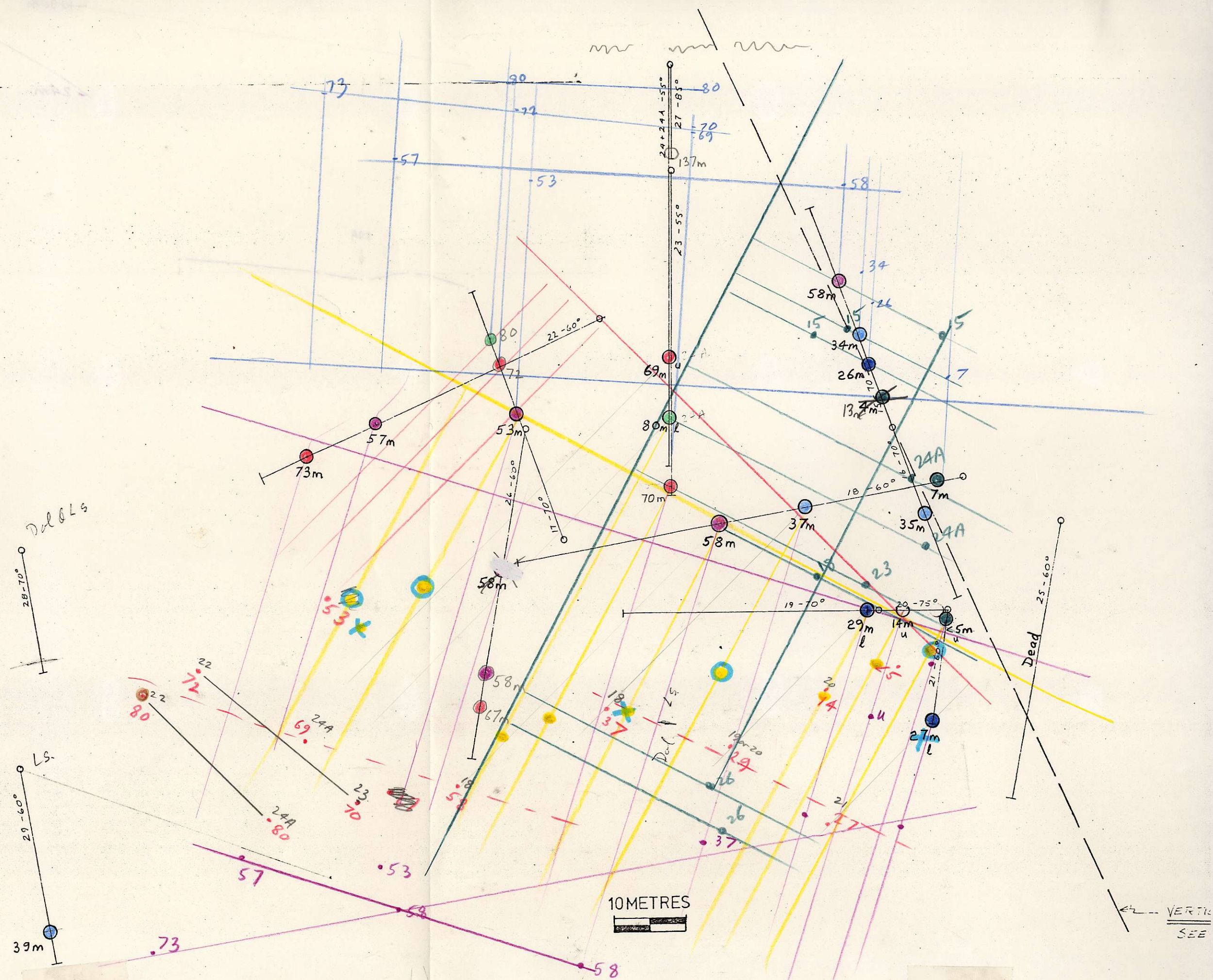


SECTION, VERTICAL THROUGH COLLARS OF # 23, # 27

SECTION, VERTICAL, HOLES

#19 & #20





1

1090
24m.

1090m

1100
17
1100m
6m.

24m.

24A



1100m

