820750

SKWIM PROJECT

FINAL REPORT

ON THE

LOIS 1-6, 8, 9, FOX AND DIADEM MINERAL CLAIMS

VANCOUVER MINING DIVISION
LATITUDE: 50°00'N
LONGITUDE: 124°02'W

NTS: 92F/16 and 92K/1

OWNERS: ANACONDA CANADA EXPLORATION LTD., VANCOUVER, B.C.
R. SCHMIDT, VANCOUVER, B.C.
FURY EXPLORATION LTD., VANCOUVER, B.C.

OPERATOR: ANACONDA CANADA EXPLORATION LTD.
VANCOUVER, B.C.

By

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G. Crowe, MSc
A. Scott, BSc
P. Matysek, BSc

November, 1983

SUMMARY

Geological mapping, soil, stream and rock sampling, GENIE horizontal loop electromagnetic and magnetometer surveys, and minor amounts of trenching were carried out in the Skwim Lake area northeast of Powell River, B.C., during the summer of 1983. The property is underlain by a NS trending pendant of tightly folded supracrustal rocks of Lower Jurassic age surrounded by Cretaceous Coast Range granitoids.The supracrustal rocks include intermediate to mafic flows, sills, and pyroclastics, intermediate to felsic pyroclastic and epiclastic lithologies, and fine grained, thinly bedded to finely laminated clastic and chemical sediments (argillites, argillaceus siltstones, cherts etc.). Volcanic members predominate in the eastern portion of the pendant.

Previously known occurrences of massive to semi-massive sphalerite-chalcopyrite-pyrrhotite-galena mineralization were resampled and additional mineralization was uncovered by further trenching. These sulphide zones are exposed in two areas (Lower and Upper Adit) located 800 m apart and separated by 300 m vertical relief. They are spatially related to a contact between volcanics (chlorite tuffs) and sediments (argillites), and partially coincident with a series of EM conductors. Best assay values from these zones are 2.07% Cu, 2.33% Pb, 4.30% Zu, 476.6 g/t Ag, 0.8 g/t Au over 1.5m (Upper Adit Area) and 0.13% Cu, 0.70% Pb, 6.4% Zu, 8.24 g/t Ag, 1.4 g/t Au over 3m (Lower Adit).

Gold-bearing quartz-arsenopyrite veinlets and gold quartz veins were discovered in the northern part of the property.

INTRODUCTION

This report summarizes exploration activities carried out by Anaconda personnel on the Lois 1 - 6,8,9, Fox, and Diadem claims in 1983. The Fox claims are under option to Anaconda from R. Schmidt of Vancouver and the Diadem claims are under option from Fury Exploration Ltd. also of Vancouver.

Location Physiography and Access

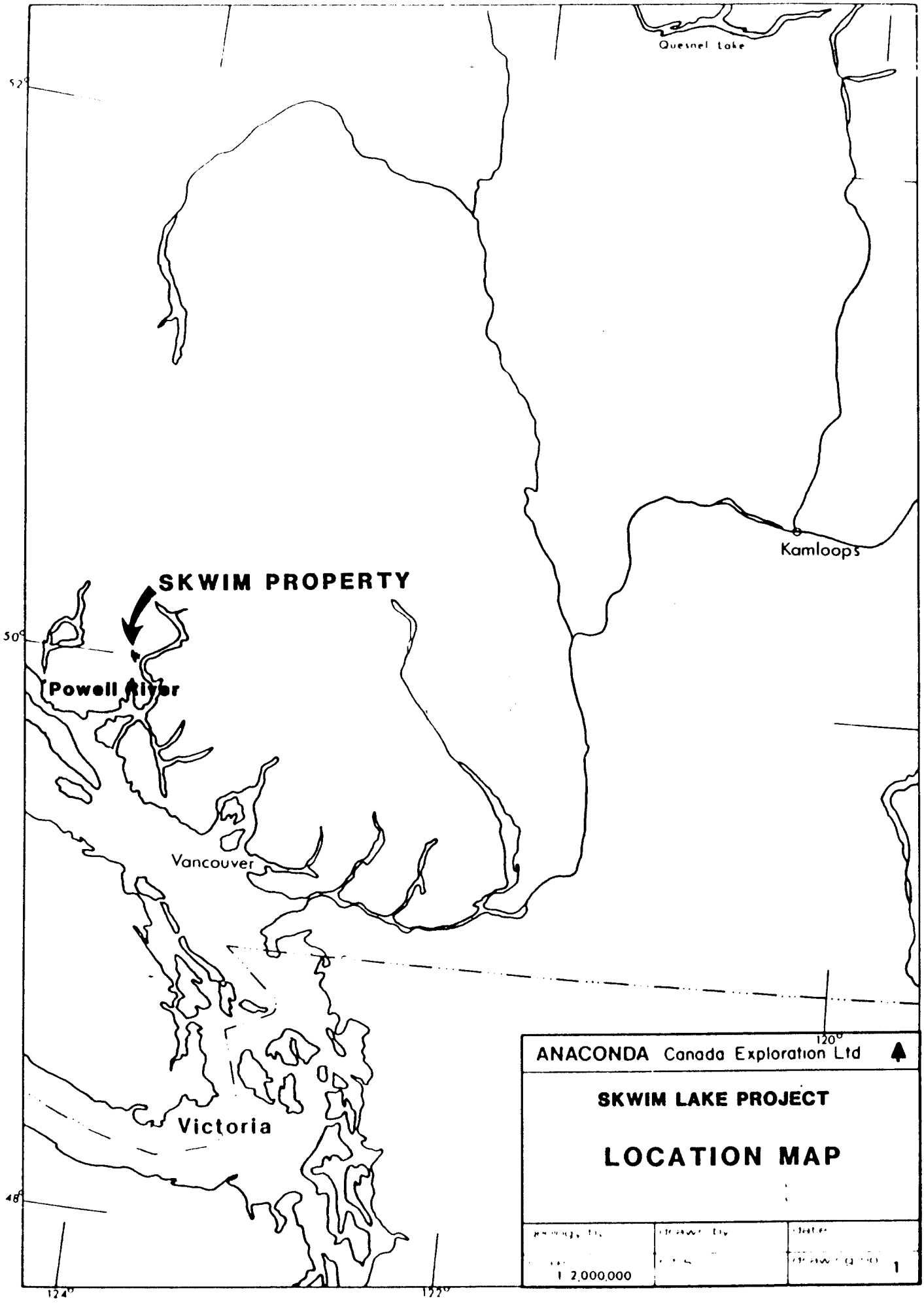
The property is located approximately 35 km ENE of Powell River B.C., just west of Jervis Inlet, at latitude 50°00'N and longitude 124°02'W (Figure 1, p.3). The terrain is extremely rugged and precipitous with relief ranging from sea level to over 1700 m. Exploration is restricted to densely vegetated and talus covered portions of Lois and No Man's Creek valleys and to open alpine meadows at elevations above 1200 m. Heavy snow cover at higher elevations does not allow exploration activities to commence until mid-July.

The lower portion of the property is accessible by logging road which runs up the east side of Lois River (Figure 2, p.4).

Property

The claims are located in the Vancouver Mining Division. The Lois claims are wholly owned by Anaconda Canada Exploration Ltd., while the Fox claims are owned by R. Schmidt and the Diadem claims by Fury Exploration Ltd. The claims are recorded as follows:

Claim Name	Units	Record Number	Date of Record
Lois 1	18	1261	September 27
Lois 2	18	1262	"
Lois 3	20	1273	October 20


Quesnel Lake
52°
Kamloops
SKWIM PROPERTY
50°
Powell River
Vancouver
120°
Victoria
48°
124°
122°
ANACONDA Canada Exploration Ltd
SKWIM LAKE PROJECT
LOCATION MAP
1 2,000,000
1

Lois 4	20	1274	"
Lois 5	20	1275	"
Lois 6	20	1276	"
Lois 8	20	1278	"
Lois 7	20	1277	
Lois 9	20	1279	"
Lois 10	20	1280	
Fox	9	931	June 30
Diadem	9	435	June 5

Regional Geology

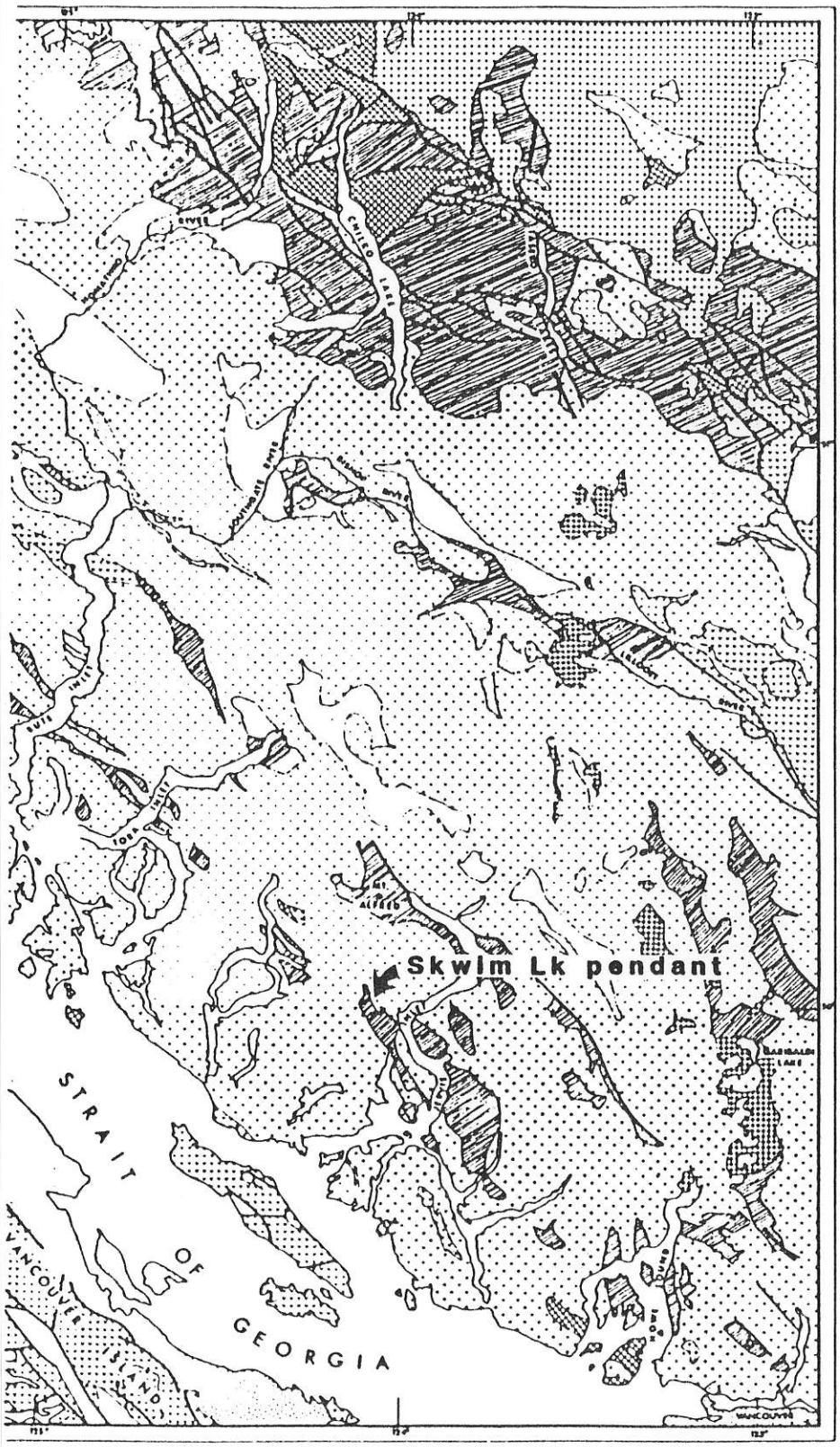
The property lies within the Coast Plutonic Complex along its western boundary with the Insular Belt. This complex consists mainly of quartz-diorites, granodiorites, gneisses and migmatites enclosing numerous elongated, NW trending belts of volcanics and sediments (Figures 4a and 4b, p. 6 and 7).

The age of the intrusives in the southern part of the Coast Mountains ranges from 75 to 158 my (Price et al, 1981), whereas pendant rocks are generally referred to as Cretaceous. Some volcanic and sedimentary strata, however, range from Permian to Tertiary in age (Figure 4b, p.7).

Greenschist and less commonly amphibolite grade metamorphic facies prevail in pendant rocks.

The Skwim Lake pendant is dominated by weakly metamorphosed clastic sediments and tuffs, with lesser amounts of volcanic flows and/or intrusives occupying the eastern (basal?) portion of the section.

Ammonites, found within argillites (Unit 3) have been tentatively identified as Arnioceras Kwakiutlanus (Crickmay) by H.W. Tipper of the Geological Survey of Canada. These are known from several localities on Vancouver and Queen Charlotte Islands in the Bonanza Group and Kunga Formation respectively (Figure 4c, p.8), indicating that this portion of the Skwim Lake stratigraphy was deposited in the upper part of the Lower Sinemurian of the Lower Jurassic. This could also be significant in that the Skwim Lake stratigraphy was deposited at a different time and within



LEGEND

UPPER TERTIARY to RECENT
Andesite, dacite, basalt; non-marine

LOWER to MID-TERTIARY
Basalt, andesite, dacite; non marine

UPPER CRETACEOUS and LOWER TERTIARY
Sandstone, conglomerate, argillite, minor volcanics; non-marine

LOWER and MID-CRETACEOUS
Volcanics and clastic sediments; marine and non-marine

LOWER and MIDDLE JURASSIC
Volcanics and clastic sediments; marine and non-marine

UPPER TRIASSIC
Basalt, limestone, argillite, greenstone, amphibilite; marine

MIDDLE TRIASSIC and OLDER
Chert, argillite, greenstone; marine

PENNSYLVANIAN and PERMIAN
Volcanics, argillite, sandstone, limestone; marine

PALEOZOIC (?)
Central Gneiss Complex and other bodies of migmatite and granitoid gneiss

PALEOZOIC to LATE TERTIARY
Quartz diorite, granodiorite, lesser quartz monzonite, diorite, gabbro

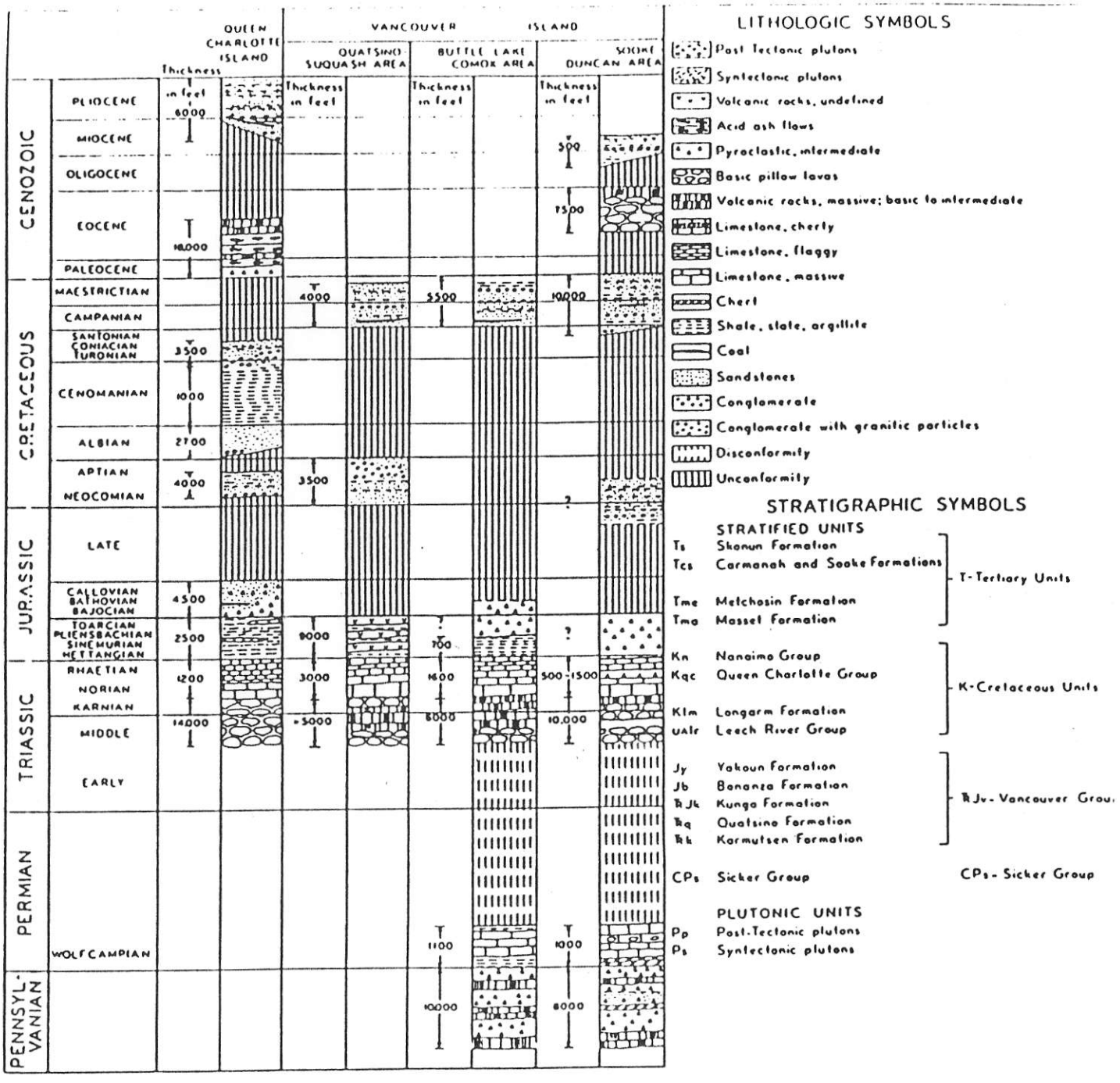
Fault, known or inferred

Thrust fault

From Woodsworth, 1979

GEOLOGY OF SOUTHWESTERN B.C.

Figure 4a



GENERALIZED COLUMNAR SECTIONS OF QUEEN CHARLOTTE ISLAND AND PARTS OF VANCOUVER ISLAND

Figure 4b

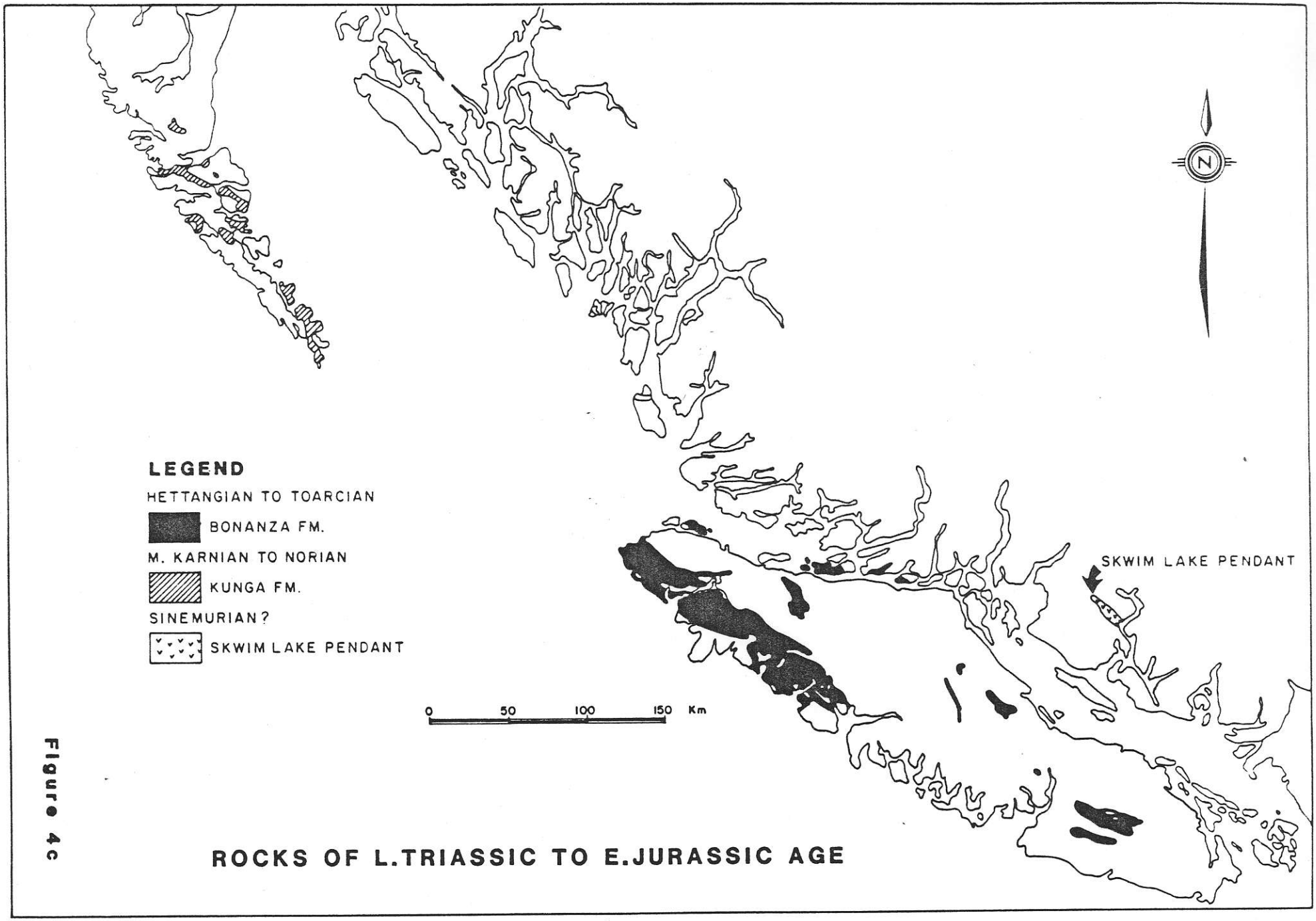

LEGEND
HETTANGIAN TO TOARCIAN
BONANZA FM.
M. KARNIAN TO NORIAN
KUNGA FM.
SINEMURIAN?
SKWIM LAKE PENDANT
0 50 100 150 Km
N
SKWIM LAKE PENDANT
ROCKS OF L.TRIASSIC TO E.JURASSIC AGE

Figure 4c

a different environment that the Albian sequence which hosts the Britannia volcanogenic massive sulphide deposit.

A more detailed study of the rocks in the vicinity of the Skwim Lake pendant has been presented by Bacon (1957).

Previous Work

Early work on the property consisted of prospecting and sampling for gold in the first part of the century. Bacon (1957) made note of mineralization found on the property and paid particular attention to gold bearing quartz veins in the No Mans Creek area (Figure 2, p.4).

Geological mapping and limited diamond drilling was performed by Sphere Development Corp. in 1967. One hole set up to the east of T5 and oriented 45° towards 270° intersected two mineralized intervals at 90' and 118' which are believed to represent the vertical extensions of the mineralization exposed in the trenches. Another drill hole encountered Ag, Cu, Pb mineralization the bottom of the hole but the drill was terminated in this intersection. Sampling of old adits and trenches, which contained massive sphalerite, pyrrhotite and chalcopyrite mineralization was also performed at this time. These results are described by Cunningham-Dunlop (1971).

In 1970 Tiger Silver Mines Ltd. performed geophysical magnetometer and geochemical soil surveys (Bullis, 1970). Some areas with anomalous Zn and Cu were outlined but no significant correlation was noted between the magnetic anomalies and areas of known mineralization.

Geological, electromagnetic, magnetic and soil geochemical surveys were performed for Brittain River Syndicate by Cunningham-Dunlop in 1971. Some new anomalous areas were discovered.

The most recent work done was by Fury Exploration on the Diadem claim group (Glass, 1980). This consisted of electromagnetic and rock geochemistry surveys.

Summary of 1983 Program

A five to seven man field crew worked on the Lois 1-6, 8, 9, Fox and Diadem claims from June 6 to September 20, 1983.

Twenty six kilometers of grid lines were chained and flagged. Total field magnetometer and GENIE horizontal loop electromagnetic surveys were performed over 22 kilometers of line. A geological mapping and prospecting survey was conducted. A total of 346 rock samples, 165 drainage samples and 110 soil samples were collected. Minor amounts of hand trenching and blasting were performed. Approximately 100 m of existing logging roads were upgraded.

PROPERTY GEOLOGY

The property is underlain by a series of volcanic and sedimentary rocks of probable Lower Jurassic (Sinemurian) age, which have been interpreted to define a roof pendant or screen within Cretaceous Coast Range plutonics. This sedimentary and volcanic package outlines a north - northwest trending belt. An idealized stratigraphic section is presented in Figure 4d (p.11).

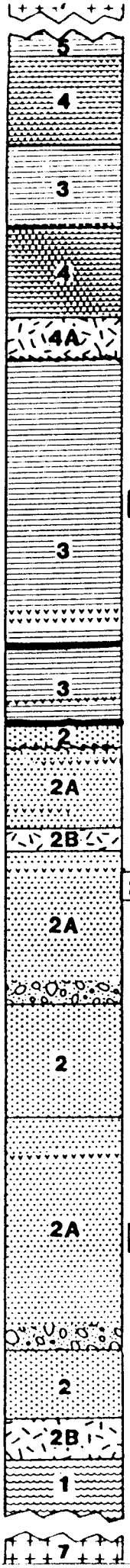
Volcanic flows and tuffs and diorite intrusives dominate the eastern portion of the pendant while the west is occupied by a series of argillites, tuffs and volcanic breccias with minor amounts of interbedded carbonate and andesitic - basaltic flows (figures 3 and 4, in pocket). Top directions are uncertain as indicators are few and ambiguous and the detailed structural control is not well defined.

Lithology

The following rock units were recognized in the area covered by the Lois

CRETACEOUS TO LOWER JURASSIC

LOWER JURASSIC (SINEMURIAN)



7 COAST INTRUSIVES – diorite, quartz diorite, granite

5 Siliceous argillite – siltstone, tuff, chert, minor lapilli tuff – weakly laminated, in part banded. 5a) massive diorite – andesite sills and/or flows

4 Banded argillite, siltstone, sandstone, chert, minor lapilli tuff and carbonate interbeds. 4a) andesitic – basaltic vesicular flows and diorite – andesite flows and/or sills

3 Argillite, thin bedded to finely laminated and locally graphitic, minor carbonate and lapilli tuff interbeds. 3a) andesitic – basaltic vesicular flows and diorite – andesite flows and/or sills

Zn Pb Massive Sulphides – Precious metals – Upper adit

Zn Cu Pb Massive Sulphides – Precious metals – Trenches

2 Chlorite rich tuff with interbedded tuffaceous sandstone – siltstone and coarse lapilli tuff, chlorite – felspar gneiss. 2a) interbedded and banded argillite, felsic lapilli tuff, vesicular flows and tuffaceous sandstone – siltstone. 2b) massive diorite – andesite flows and intrusives. 2c) pillowed andesitic flows. 2d) felsic flows and/or breccia

1 Tuffaceous sandstone – siltstone, minor argillite. 1a) andesitic flows, lapilli tuff and chlorite schist. 1b) massive diorite – andesite flows and/or intrusives

STRATIGRAPHIC SECTION

Through upper adit massive sulphide zone assuming top direction to west

0 100m

Figure 4d

group of claims.

Tuffaceous Sediments, Volcanic Flows and Intrusives (Unit 1)

The most easterly contact of the pendant is defined by a series of tuffaceous sandstones and siltstones and minor argillite (Unit 1). Andesitic flows, lapilli tuff and chlorite schist (Unit 1a) and massive diorite - andesite flows and/or intrusives (Unit 1b) are also noted within this sequence.

Intermediate Volcanic Tuffs, Flows and/or Intrusives (Unit 2)

Grey - green weathering chlorite rich tuff and tuffaceous sandstone - siltstone, coarse lapilli tuff and chlorite feldspar gneiss dominate the eastern portion of the property. The chlorite rich lapilli tuffs are characterized by subangular to subrounded felsic fragments (1mm - 2cm) and rounded scoriaceous lepilli with chlorite rich rims, stretched out parallel to a pervasive mineral foliation defined by chlorite and chlorite - feldspar aggregates. The coarse lapilli units grade into a banded, fine grained tuffaceous siltstone - sandstone sequence indicating a fining to the west.

A series of well banded and interbedded tuffaceous sandstone - siltstone, argillite, felsic lapilli tuff and vesicular flows (Unit 2a) crops out to the east of unit 2 and locally is identified to the west. To the east it forms the core of an antiformal structure and is therefore believed to represent a transitional sequence between units 2 and 3.

To the east of units 2 and 2a massive diorite - andesite flows and intrusives (Unit 2b) form prominant cliff exposures and locally have well developed volcanic features such as flow top breccias and vesicles, possibly indicating tops to the west. Farther to the east a 25 to 50 m thick sequence of pillowed andesite (Unit 2c) is intersected. This grades into more massive diorite along strike.

In the southern portion of the property, felsic volcanic flows (rhyolite to dacite) and breccias (Unit 2d) crop out along strike from the more intermediate flows of unit 2. Poor exposure in this area has made correlation of this unit tenuous.

Argillite (Unit 3)

Rust to black weathering, thin bedded to finely laminated argillite defines one of the key marker horizons on the property. It is locally graphitic and contains some carbonate and lapilli tuff interbeds. Shearing is abundant within this sequence of rocks and is characterized by graphite-coated slickensides. Andesitic - basaltic vesicular flows and diorite - andesite flows and/or sills are also present (Unit 3a). Ammonites of possible Lower Jurassic age occur within this succession.

Well Banded Sediments and Tuffs (Unit 4)

This unit is characterized by a steeply dipping package of grey - green weathering, very well banded (<1 - 5 cm) and interbedded argillite, siltstone, sandstone and black chert. Lesser amounts of lapilli tuff and carbonate interbeds, vesicular andesitic - basaltic flows and massive diorite - andesite flows and/or sills (Unit 4a) are also present. Where observed, graded bedding indicates a fining to the east. This is coincident with rarely observed flame and scour and fill structures, indicating tops to the east. Due to the lack of detailed structural control it is not certain if these beds are overturned or not.

Unit 4 successions grade into those of units 3 and 5 and therefore the contacts are only approximate. The contact zones are characterized by an increase in the amount of argillitic material as unit 3 is approached, a gradual increase in the amount of lapilli tuff and tuffaceous sandstone - siltstone towards the contact with unit 5, and an associated loss of the well banded nature.

Siliceous Argillite, Tuffaceous Siltstone,
Chert and Lapilli Tuff (Unit 5)

This moderately bedded (<1 - 10 cm) sequence of rocks consists of siliceous argillite, tuffaceous siltstone-sandstone, black chert and minor lapilli tuff. It is tan to grey weathering and has locally developed a well banded appearance. Some sections of siliceous mudstone - tuff have a more massive appearance but may contain wispy laminations defined by thin discontinuous pyrrhotite and/or pyrite bands. Interbedded flows are represented by well foliated chlorite schists and less deformed diorite - andesite with fine grained vesicular tops and flow banded bases. More massive diorite bodies may represent sills and/or dykes (Unit 5a) which locally cross-cut stratigraphy.

Andesitic Breccia (Unit 6)

The andesitic breccia is characterized by light green to white felsic fragments up to 1 - 2 cm in size within a dark green andesitic groundmass. The fragments are locally surrounded by chlorite rich rims. Fragments of argillite and/or mudstone have also been noted. This unit crops out in the southwest part of the property and a small remnant has been preserved along the Coast Plutonic contact to the west of Frozen Lake. Large blocks of angular float in the southern part of the Lois River Valley suggest large inaccessible cliff exposures are composed of this material. Poorly exposed outcrops of massive medium grained diorite within this package appear to conform to the regional trend and may represent flows and/or sill like bodies (Unit 6a).

Coast Plutonics (Unit 7)

The Coast Range intrusives have been mapped as one single unit but distinctive rock types have been recognized. These include a feldspar rich diorite, quartz diorite and granite as determined by field observation alone. Textures range from fine grained and porphyritic near the pendant, to massive, coarse grained bodies away from the contact. A more detailed study of the Coast plutonics was presented by Bacon (1957).

Structure

The structural interpretation is based upon abundant exposure in the northern part of the property. Here details were obtained regarding the structural style, and relationships between the various units were established. This information was extrapolated to the south where outcrops are limited and/or inacessible.

The deformation has been intense with the early development of tight, northwest to southeast plunging folds characterized by the presence of a penetrative to fracture axial planar cleavage. In general, both bedding and cleavage surfaces strike north-northwest and dip steeply to the east.

No definite evidence of an earlier isoclinal phase of folding has been observed, but if tops are to the west, this would place the succession on the lower limb of a westerly verging isoclinal anticline. Late, east-west trending broad open style folds change the axes of earlier tight folds from a gentle south plunge to a steep north plunging orientation (figures 3 and 4, in pocket). Early folds are also noted to be refolded about steep axes adjacent to the Coast plutonics.

Minor folds and cleavage/bedding relationships most often indicate an antiformal closure to the west but some exceptions do occur. This was initially interpreted to imply that the entire volcanic - sedimentary package represented the upper limb of a large antiformal closure. Cliff exposures in the Skwim Lake area however, indicate the presence of a large antiformal - synformal pair and the lack of cleavage/bedding relationships on the westward side of the antiform was explained by the parallel nature of the cleavage and bedding along this limb.

Most structures are best developed in the banded sediment and tuff package (Unit 4) and in the thin bedded argillites (Unit 3). Shearing parallel to the axial plane however, disrupts many of the minor folds making interpretation of these structures difficult.

Two major shear orientations have been observed. As noted above, one is parallel to the cleavage developed throughout the pendant (330^{o} - 005^{o}) and in general is sub-parallel to the local bedding/banding, except in the vicinity of a fold closure. The other major orientation is 060^{o} to 100^{o}. Both are associated with massive sulphide mineralization as discussed below.

MINERALIZATION, ROCK GEOCHEMISTRY

Mineralization at the Skwim property includes: 1) Ag ± Au bearing Cu-Pb-Zn sulphide zones, 2) Ag ± Au bearing Pb-Zn sulphide impregnations and veins, 3) precious metal poor sphalerite-chalcopyrite stockworks, 4) chalcopyrite-magnetite-pyrrhotite and/or pyrite veins, 5) gold quartz veins and 6) gold-bearing arsenopyrite-quartz veinlets.

Complete rock sample descriptions and geochemical results are tabulated in Appendices 2 and 3 respectively.

Cu-Pb-Zn-Ag ± Au Mineralization

Pods and lenses of massive to semimassive sphalerite, chalcopyrite, pyrrhotite, subordinate galena and minor arsenopyrite are discontinuously exposed in two areas (Upper and Lower Adit Zones) located 800 m apart and separated by 300 m vertical relief. Mineralization in the Upper Adit Zone is intermittently exposed in several trenches and one adit over a 150 m strike length and a 90 m width. Sulphide zones in the Lower Adit Zone have been exposed by 3 trenches and 1 adit for a distance of 100 m.

On a regional scale the mineralized pods are spatially related to the argillite (Unit 3), chlorite tuff (Unit 2) contact. They also appear to coincide with a series of subparallel EM conductors (see geophysics section) which can be intermittently traced from the Upper to the Lower Adit Zones. On an outcrop scale the sulphide zones are associated with

sets of steeply dipping north (330°-005° range), and east-north-east (060°-100° range) trending shear zones. The northerly trending shear system appears to be continuous between the Upper and Lower Adit Zones and is observed to cut graphitic argillites (Unit 3), diorite-rich tuffs (Unit 2), and andesite-diorite flows and/or sills (Unit 3a and 2b). An idealized model which could explain the shears control on ore distribution is presented in Figure 4e (p.18). Interesting implications which arise from this model include: a) the possible presence of mineralized pods within the shear zones between and beyond the Upper and Lower Adit Zones, b) a potentially significant downdip extension of individual mineralized pods and c) the possibility that the shear couple may represent a remobilized volcanogenic massive sulphide at depth.

Significant analytical results from the Upper and Lower Adit Zones are listed in Table 1 (p.19) and shown in Figures 4f (p.20) and 4g (p.21).

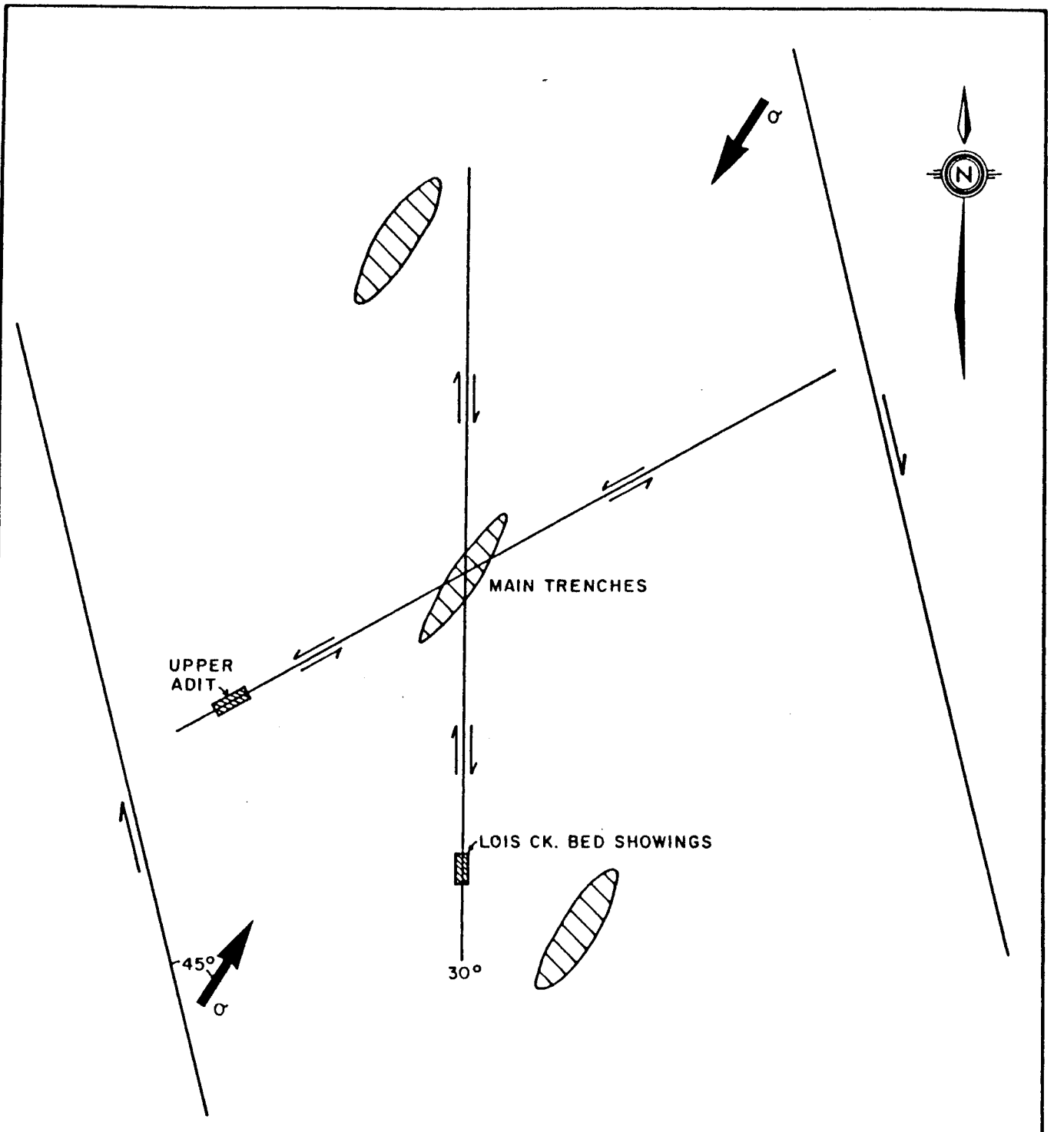
Pb-Zn-Ag ± Au Mineralization

Veins, inpregnations and disseminations of galena, and sphalerite cutting hornfelsic tuffs and sandstones are exposed in an old adit to the north of Mt. Diadem. One grab sample from this adit (4950) assayed 0.02% Cu, 8.9% Pb, 8.69% Zn, 264.0 gm/t Ag and 4.9 gm/t Au while a 0.25m wide mineralized shear to the SE of the adit yielded 170 ppm Cu, >10,000 ppm Pb, >10,000 ppm Zn, >200 ppm Ag, and 180 ppb Au.

Galena-sphalerite veins cutting a sheared diorite-andesite flow are exposed in a trench (T1, Figure 5) located approximately 900 m to the north of the Upper Adit. Geochemical values over a 3 m interval (T1,4339-41) averaged minor Cu, >10,000 ppm Pb, >10,000 ppm Zn, >134 ppm Ag and 863 ppb Au. Another sample (4373) located to the south of this trench yielded 1400 ppm Cu, >10,000 ppm Pb, >10,000 ppm Zn, 560 ppm Ag and 2250 ppb Au over 8.0 cm.

Precious Metal Poor Sphalerite-Chalcopyrite Stockworks

In the southern part of the property (T18, T19, T20) sphalerite and



LEGEND

- SHEAR DIRECTION
- MAXIMUM COMPRESSIVE STRESS
- MINERALIZED TENSION POD
- MINERALIZED SHEAR

ANACONDA Canada Exploration Ltd.

SKWIM PROPERTY

IDEALIZED STRESS FIELD CONTROL ON SKWIM MINERALIZATION

geology by A.K.	drawn by D.M.C.	date JAN, 85
scale	n.t.s. 92 K/1	fig./proj. no. 4e

TABLE 1

SKWIM LAKE PROJECT

SIGNIFICANT TRENCH VALUES

Area	Trench	Samples Taken	Interval Assayed	Average Assay Cu %	Pb %	Zn %	Ag g/t	Au g/t
Upper Adit	03	8278 - 8284	3.0 m	0.19	1.23	1.51	117.5	Trace
Upper Adit	04	8514 - 8515	1.5 m	2.07	2.33	4.38	476.6	0.8
Upper Addit	05	4100 - 4301	1.0 m	0.13	0.15	1.41	45.3	Trace
	05	4303 - 4304	1.0 m	0.19	0.16	3.70	37.7	Trace
	05	4308 - 4312	2.5 m	2.04	0.28	1.13	250.8	0.3
	05	4319	0.5 m	0.05	0.11	4.15	11.7	Trace
Upper Adit	06	4331	0.5 m	1.12	0.01	0.08	52.1	Trace
Upper Adit	07	4141 - 4143	1.5 m	0.61	1.02	7.28	333.9	1.9
	07	4145 - 4148	4.5 m	0.03	0.03	0.86	6.2	Trace
Lower Adit	14	4083	0.8 m	1.80	0.23	5.50	360.7	0.4
LR Showing	20	3937 - 3938	1.0 m	0.02	0.01	1.36	1.1	Trace
Upper Adit	21	4353 - 4359	3.5 m	1.11	0.63	14.05	175.8	1.4
Lower Adit	22	4912 - 4917	3.0 m	0.13	0.70	6.40	82.4	1.4

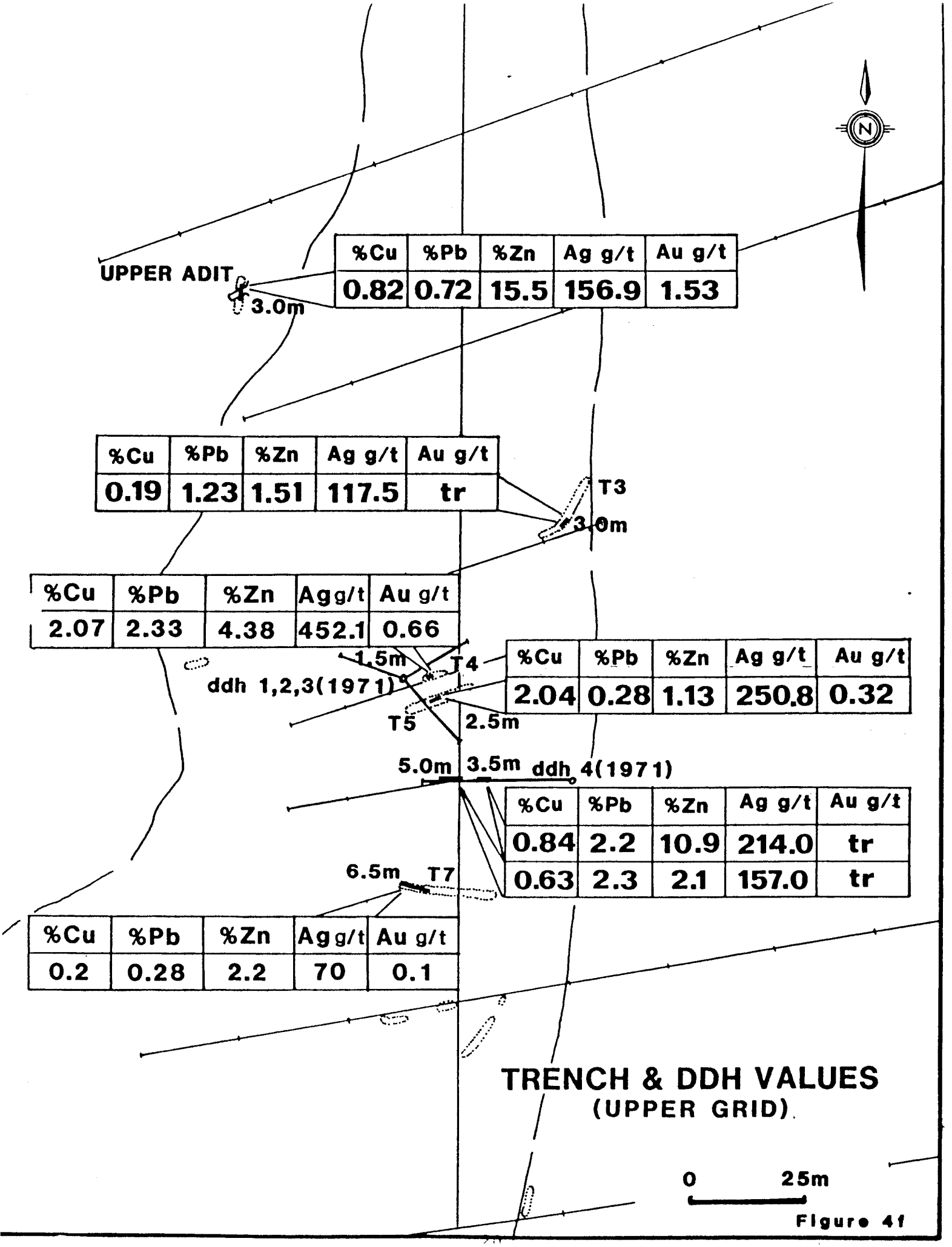

UPPER ADIT
3.0m
%Cu %Pb %Zn Ag g/t Au g/t
0.82 0.72 15.5 156.9 1.53
%Cu %Pb %Zn Ag g/t Au g/t
0.19 1.23 1.51 117.5 tr
T3
3.0m
%Cu %Pb %Zn Ag g/t Au g/t
2.07 2.33 4.38 452.1 0.66
1.5m
T4
ddh 1,2,3(1971)
T5
2.5m
%Cu %Pb %Zn Ag g/t Au g/t
2.04 0.28 1.13 250.8 0.32
5.0m
3.5m
ddh 4(1971)
%Cu %Pb %Zn Ag g/t Au g/t
0.84 2.2 10.9 214.0 tr
0.63 2.3 2.1 157.0 tr
6.5m
T7
%Cu %Pb %Zn Ag g/t Au g/t
0.2 0.28 2.2 70 0.1
N
TRENCH & DDH VALUES
(UPPER GRID)
0
25m

Figure 4f

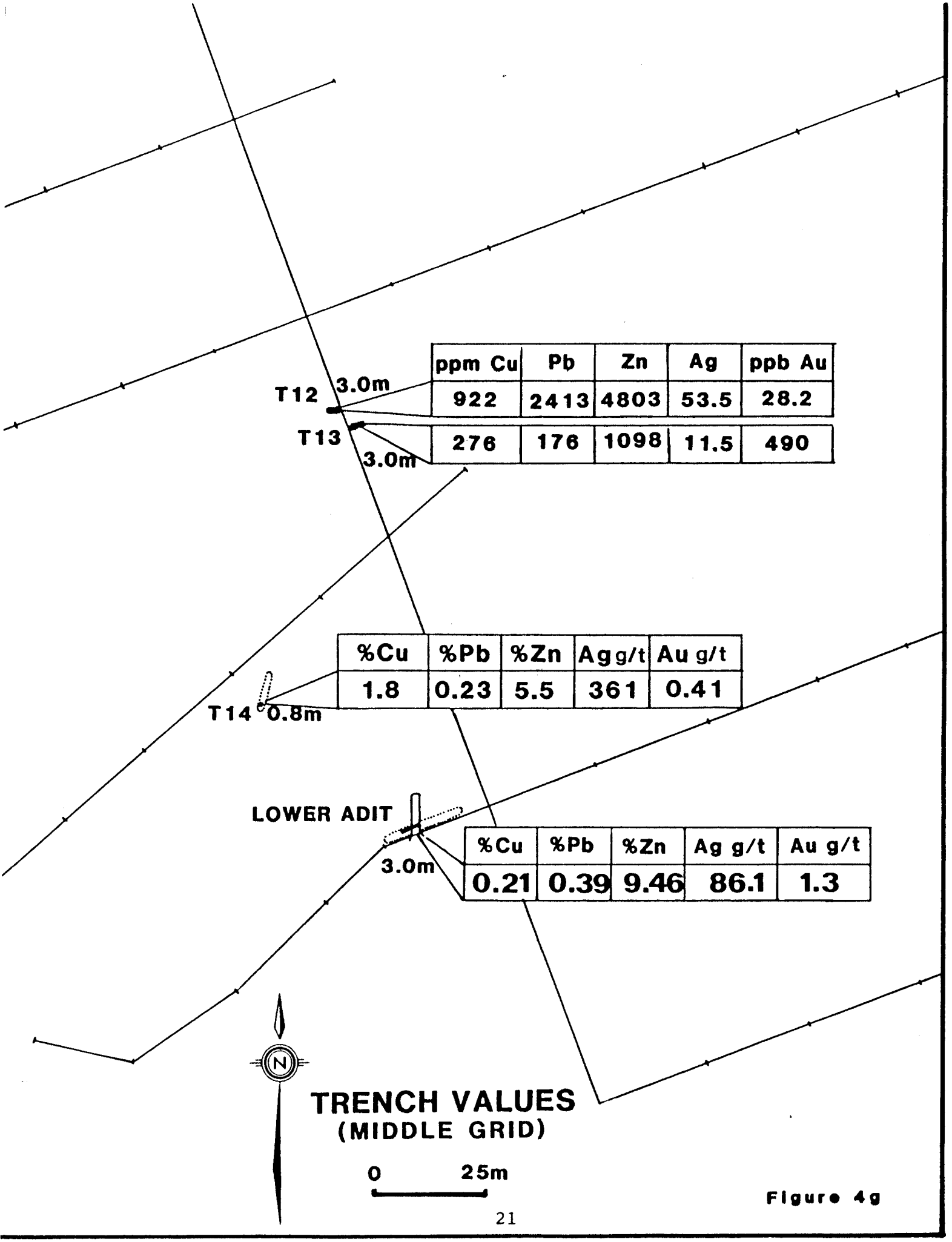

T12
3.0m
T13
3.0m
ppm Cu
Pb
Zn
Ag
ppb Au
922
2413
4803
53.5
28.2
276
176
1098
11.5
490
T14
0.8m
%Cu
%Pb
%Zn
Ag g/t
Au g/t
1.8
0.23
5.5
361
0.41
LOWER ADIT
3.0m
%Cu
%Pb
%Zn
Ag g/t
Au g/t
0.21
0.39
9.46
86.1
1.3
N
TRENCH VALUES
(MIDDLE GRID)
0
25m

Figure 4g

chalcopyrite mineralization is associated with a volcanic breccia which contains felsic clasts within a more intermediate (andesitic) groundmass. Epidote veining has been observed to carry minor amounts of galena. Two 0.5 m wide intervals from T20 yielded 1.36% Zn, (Table 1, p.19). A 2 m wide interval yielded 181 ppm Cu, 1950 ppm Pb, 2040 ppm Zn, 5.3 ppm Ag and 5 ppb Au (3948). Due to heavy overburden the orientation of the breccia zones is not known and these sample intervals may not reflect a true width. Zinc rich float was also found in similar rocks up to 1.5 km to the south.

Chalcopyrite-Magnetite Mineralization

Chalcopyrite, magnetite, pyrrhotite and/or pyrite mineralization associated with quartz veining and shears within diorite (Unit 2b) and poorly banded chlorite rich volcanics (Units 2 and 2d) is exposed in a creek bed and along cliff faces to the SE of the Lower Adit (T15, T16, T17). Although one trench carried anomalous Cu and Ag concentrations (T15 - 2.95 m of 1074 ppm Cu and 1.92 ppm Ag), geochemical values from these showings are generally low. Diorite-hosted copper-magnetite mineralization was also encountered 750 m south of Trench 17. One 10 cm sample (4946) assayed >10,000 ppm Cu, 835 ppm Pb, 124 ppm Ag, and 60 ppb Au.

Gold Mineralization

Two types of gold mineralization have been discovered on the property: 1) quartz veins carrying varying amounts of pyrite, sphalerite, chalcopyrite and rare visible gold and 2) arsenopyrite quartz veinlets. Auriferous quartz veins assaying up to 30.0 g/t Au over narrow widths (Table 2, p.24 and Figure 4h, p.25) at three localities along the precipitous west slope of No Mans Creek. These veins cut both Coast Plutonics and pendant rocks. Sporadic and discontinuous quartz-arsenopyrite veinlets cutting diorite intrusives, diorite-andesite flows, and adjacent tuffs and sediments have been located within a 1200 m x 300 m portion of the Upper Grid. Selected mineralized samples of arsenopyrite-bearing veins assay up to 13.1 g/t

ppb Au over 0.25 cm (Table 2, p.24).

HYDROTHERMAL ALTERATION

Two regions of widespread hydrothermal alteration have been outlined on the property. On the northwest face of Mt Diadem felsic to intermediate tuffs (Unit 2) are silicified-pyritized and sericitized over a 0.5 km area coincident with a magnetic high. This alteration is in close proximity to a body of Coast Range Plutonics but the environment appears favourable for the development of volcanogenic exhalative activity. One sample (8324) of pyritic material returned values of 101 ppm Cu, 3.0 ppm Ag and 55 ppb Au.

Hydrothermal alteration (mainly silicification) is also prominent within pyrrhotite-rich felsic to intermediate tuffs exposed in the northern part of the Upper Grid between L13+00N and L17+00N. These rocks (Unit 1) lie along the eastern contact of the pillowed andesites (Unit 2c) and contain moderate to low Zn and Ag values.

SOIL AND DRAINAGE GEOCHEMISTRY

Sample Collection, Preparation, Analysis and Presentation of Results

Soil samples were taken at 25 m intervals along 7 soil line traverses from the top of the B soil horizon, generally a reddish brown, iron-rich zone at a depth of 30-40 cm. Stream sediment samples were collected where encountered along geologic (rock sampling) traverses.

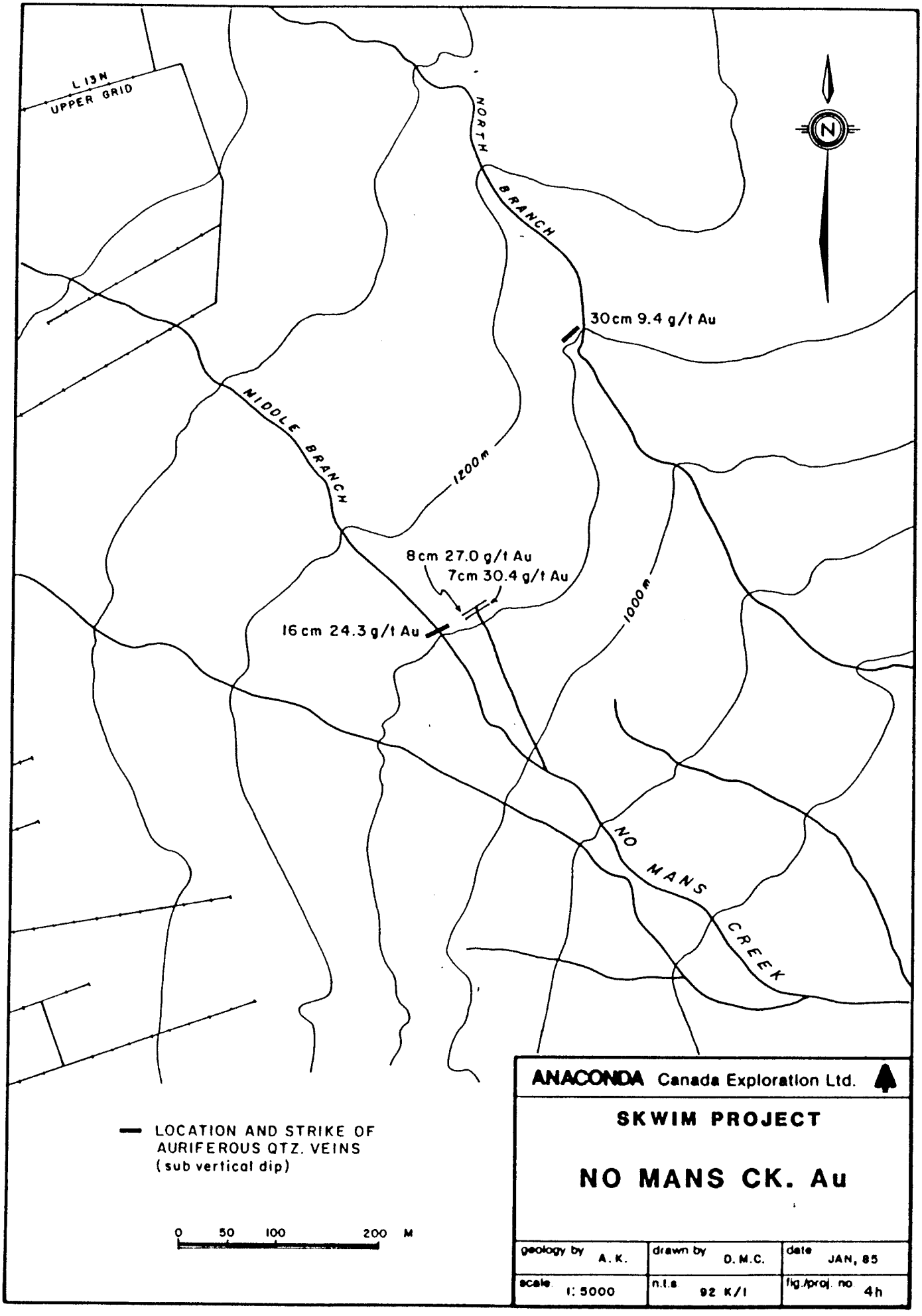
In all cases for soil and silt samples, approximately 500 grams of material was saved in a wet strength paper envelope, prenumbered by sampler according to a regular sequence. Rock sampling consisted of grab, chip and trench cuts weighing approximately 1 to 2 kilograms and

TABLE 2

SKWIM LAKE PROJECT

SIGNIFICANT (> 1000 PPB) GOLD BEARING ROCKS

Area	Sample	Int	Results Cu ppm	Pb ppm	Zn ppm	Ag ppm	Au ppb	
Chip Samples:								
No Mans Ck	4102	0.30 m	1100	782	3730	170.0	9400	Au qtz vein
No Mans Ck	4104		275	78	480	4.2	1950	Au qtz vein
Lower Adit	4115	0.25 m	805	1150	1470	70.0	2650	low Pb-Zn; high Bi.
~~No Mans Ck~~ Upper Grid	4373	0.08 m	1400	> 10000	> 10000	56.0	2250	Near Trench 1
Upper Grid	4375	0.05 m	90	6230	400	10.4	1350	Trench 1
No Mans Ck	4948	0.16 m	680	118	> 10000	23.0	24.4 g/t	Au qtz vein
Grab Samples:								
Upper Grid	4372		147	48	84	2.0	5500	Asfy-qtz vein
Diadem Adit	4950		235	> 10000	> 10000	> 200.0	4900	
Upper Grid	8296		300	86	610	1.0	3575	Asfy
Upper Grid	8302		184	2	99	12.0	5100	Qtz-Asfy vein
Upper Grid	8303		365	2	68	16.0	3650	Qtz-Asfy vein
No Mans Ck	8322		1850	49	355	11.4	27.0 g/t	Au qtz vein
No Mans Ck	8323		3200	12	> 10000	13.0	30.0 g/t	Au qtz vein
Upper Grid	8528		120	1	22	4.1	13.1 g/t	Qtz-asfy vein


L 13 N
UPPER GRID
NORTH BRANCH
MIDDLE BRANCH
30cm 9.4 g/t Au
1200m
8cm 27.0 g/t Au
7cm 30.4 g/t Au
16 cm 24.3 g/t Au
1000m
NO MANS CREEK
N
— LOCATION AND STRIKE OF AURIFEROUS QTZ. VEINS (sub vertical dip)
0 50 100 200 M
ANACONDA Canada Exploration Ltd.
SKWIM PROJECT
NO MANS CK. Au
geology by A. K.
drawn by D. M. C.
date JAN, 85
scale 1: 5000
n.t.s 92 K/1
fig./proj. no 4h

CONCLUSIONS AND RECOMMENDATIONS

Massive sulphide mineralization exposed in the areas of the Upper and Lower adits carries significant silver and sporadic gold values. Although individual mineralized pods are not continuous, the shear zone which hosts these pods may extend the 800m strike length between the two adits. This is indicated by geophysics and sparse mineralized shears located along the western portion of the Middle grid.

Mineralization is best exposed in trenches to the east of the Upper adit and this should be tested by diamond drilling. Prior to this, a detailed EM survey may help in determining the orientation and extent of the ore horizons. Downhole geophysics will also aid in understanding the distribution of the mineralization. Previous drilling by Sphere Development intersected two zones at depths of 69' and 98'. The initial drill site should be set up on the eastern side of Lois Creek, immediately east of the previous drill site, to test mineralization found in the creek bed and the hole should extend westward to intersect the southern continuation of the Upper adit zone. Next, efforts should be concentrated in areas outlined by geophysics. If this is successful drill sites should be selected to test the Lower adit showings followed by further geophysics and diamond drilling between the two adits.

A small "winkie" drill could be used to test the gold bearing quartz veins in No Man's Creek. Although only 2 narrow quartz veins were located, they were found in creek beds up to 300m along strike. Little exploration has been done in this area due to the ruggedness of the terrain and thick overburden. As a consequence additional Au veins may be uncovered.

Further exploration should be concentrated in the following areas.

1) Quartz-arsenopyrite veins in the diorite should be studied in detail to determine their extent and grades. Particular emphasis should be placed on the showing located at L17+00N

and 1+75E and associated rock types to the north and south.

2) The steep western slopes of Mt. Diadem may be significant with respect to volcanogenic exhalative type mineralization. Quartz, pyrite and chalcopyrite veins may be representative of stockwork type mineralization.

3) Zn-Pb-Ag mineralization associated with a felsic volcanic breccia, exposed along the lower logging roads should be followed up. Reports of recently uncovered showings along new logging roads should be investigated.

4) Pb-Ag mineralization exposed in Trench 1 should be tested with the "winkie" drill. High Ag values associated with this showing make it an interesting target.

5) The eastern half of the pendant is relatively unexplored and time permitting reconnaissance geology, geochemistry and prospecting should be done.