

821006

MineQuest Report #129  
Ref. No. RM2601

**EPI MINERAL PROPERTY**  
Clinton Mining Division

N.T.S. 92P/2W

Latitude 51°09'N  
Longitude 120°52'W

by  
G.R. Peatfield, Ph.D., P.Eng  
of  
MineQuest Exploration Associates Ltd.

for  
Jaguar Gold Corp.

Vancouver

August, 1986

TABLE OF CONTENTS

	<u>Page</u>
1.0 INTRODUCTION	1
2.0 LOCATION, ACCESS AND TERRAIN	2
3.0 PROPERTY STATUS	3
4.0 HISTORY AND SUMMARY OF PREVIOUS WORK	4
4.1 Vidette Lake Area	4
4.2 Precisely Property	5
4.3 EPI Property	5
5.0 GEOLOGY	6
5.1 Regional Geology	6
5.2 Property Geology	7
6.0 ALTERATION AND MINERALIZATION	8
6.1 Vidette Lake Area	8
6.2 Gnome Claim	8
6.3 Precisely Property	9
6.4 EPI Property	10
7.0 ROCK SAMPLING	11
8.0 DISCUSSION	12
9.0 RECOMMENDATIONS	14
10.0 COST ESTIMATE	16
11.0 BIBLIOGRAPHY	18

LIST OF ILLUSTRATIONS

<u>Figure</u>		<u>Scale</u>	<u>After Page</u>
1.	Location Map	1:10,000,000	2
2.	Property Map	1:50,000	3
3.	Geology Map	1:50,000	6
4.	Geology of Showing Area	1:7,500	10
5.	Sampling Plan	1:7,500	11
6.	Rock Geochemistry: Au, Ag	1:7,500	11
7.	Rock Geochemistry: Cu, Pb, Zn	1:7,500	11
8.	Rock Geochemistry: As, Sb, Hg	1:7,500	11
9.	Rock Geochemistry: Ge, Se, Te	1:7,500	11

LIST OF TABLES

<u>Table</u>		<u>After Page</u>
1.	Recorded production - Vidette Mine	4
2.	Pertinent results, rock sampling: EPI claims	11

LIST OF APPENDICES

Appendix I	Records of Mineral Claim - Forms G
Appendix II	Pertinent Press Releases, Inter-Pacific Resource Corp. - Precisely Property
Appendix III	Rock Sample Descriptions
Appendix IV	Laboratory Reports
Appendix V	Statement of Qualifications

1.0

INTRODUCTION

In early August, 1986, Jaguar Gold Corp. commissioned MineQuest Exploration Associates Ltd. to make an examination of the EPI mineral property located north of Savona, British Columbia, to assess the potential of the property, to design a program to test this potential, and to prepare a report suitable for inclusion in a prospectus.

Accordingly, G.R. Peatfield, P.Eng. examined the principal area of interest on the EPI claims, in company with Mr. Michael Dickens of Savona, who staked the claims and subsequently prospected them. Mr. Dickens' valuable assistance is gratefully acknowledged.

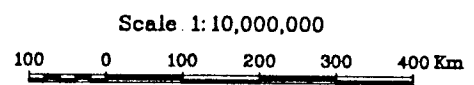
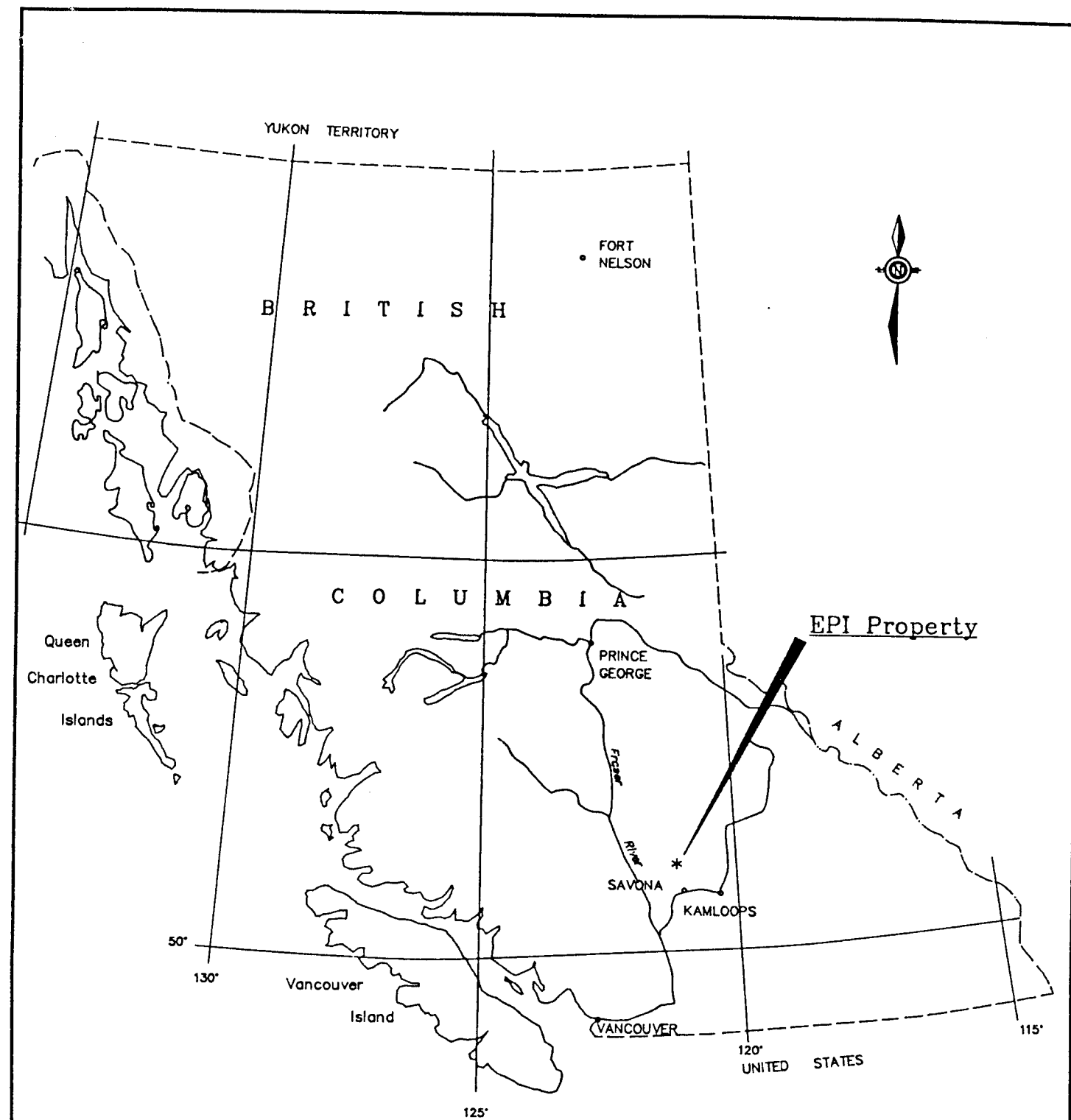
This report embodies observations made during that visit, together with the results of analyses of several rock samples collected that day and with a brief summary of geological relationships and styles of mineralization on this and adjacent properties.

2.0

LOCATION, ACCESS AND TERRAIN

The EPI property is situated astride the Deadman River at the southeast end of Vidette Lake, about 40 km north of Savona (see Figure 1). Access is by a good secondary road along the Deadman River valley, leaving Highway 1 about 7 km west of Savona. Good roads reach within one kilometre of the principal area of interest.

The claims cover an area of gently rolling plateau land, at an elevation of about 1050 metres. The showing area is well exposed in the steep-walled valley of Deadman River. Relief here is of the order of 125 metres. A light forest cover consists mainly of pine and Douglas fir, typical of the Interior dry belt. Heavier bush, including large cottonwood trees, occurs in the Deadman River canyon.



JAGUAR GOLD CORP.		
EPI MINERAL PROPERTY, CLINTON M.D.		
<i>LOCATION MAP</i>		
DATE: AUG '86	N.T.S.: 92P/2W	FIGURE: 1
MINEQUEST EXPLORATION ASSOCIATES LTD.		

## 3.0

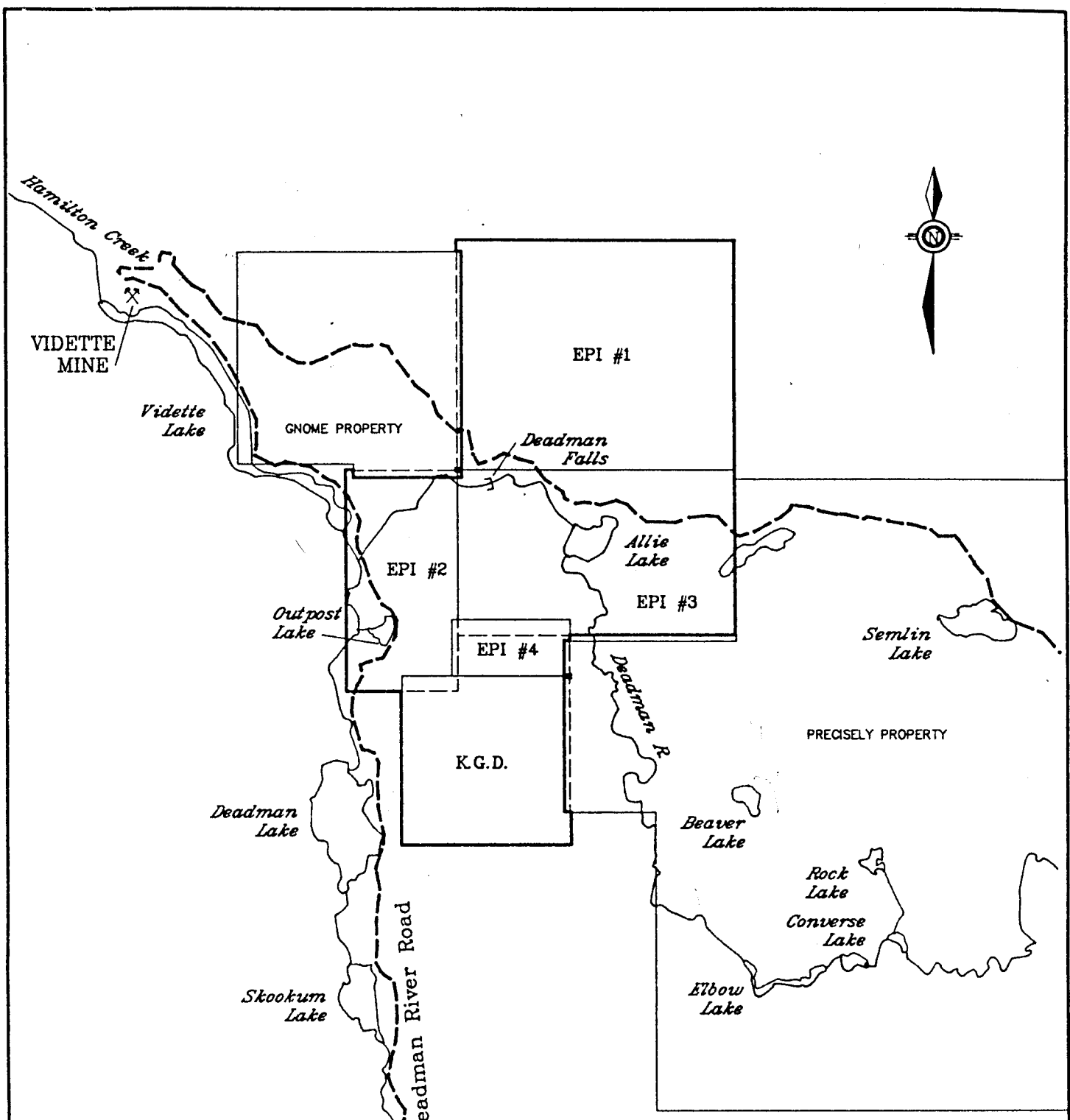
PROPERTY STATUS

The EPI property (see Figure 2) consists of the following claims:

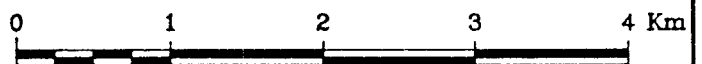
<u>Claim Name*</u>	<u>Record No.</u>	<u>No. of Units</u>	<u>Recording Date</u>	<u>Registered Owner</u>
K.G.D.	1940	9	10 Dec 1985	Michael Dickens
EPI #4	2030	2	11 Jul 1986	Michael Dickens
EPI #2	2028	8	11 Jul 1986	Michael Dickens
EPI #3	2029	15	11 Jul 1986	Michael Dickens
EPI #1	2027	<u>20</u>	11 Jul 1986	Michael Dickens
		54		

These claims constitute a restaking of several previously recorded claims. No further check of claim location or ownership was undertaken as such work lay outside the terms of reference of this report. Photocopies of the Records of Mineral Claim - Form G are included as Appendix I.

\* listed in order of precedence



Scale 1:50,000



G. R. Peatfield  
 2 Sept. 86



JAGUAR GOLD CORP.		
EPI MINERAL PROPERTY - CLINTON M.D.		
PROPERTY MAP		
DATE: AUG'86	N.T.S.: 92P/2W	FIGURE: 2
MINEQUEST EXPLORATION ASSOCIATES LTD.		



#### 4.0 HISTORY AND SUMMARY OF PREVIOUS WORK

##### 4.1 Vidette Lake Area

The gold deposits and showings in the Vidette Lake area were actively explored and exploited in the period 1931 to 1940. During this period, the Vidette Gold Mines, Ltd. mine was in essentially continuous production (see Table 1), and the adjacent properties of Savona Gold Mines, Limited, Hamilton Creek Mines, Limited, and W.C. Shelley and Associates (Cockfield, 1935) received considerable attention in the form of trenching, pitting and numerous short adits. No production was recorded from these lesser properties, although gold-bearing veins were reportedly encountered in the course of exploratory work.

In recent years, there has been something of a revival of activity in the Vidette Lake area. During 1983, Hawkeye Resources and Consolidated Paymaster Resources undertook geological and geochemical surveys on their properties including and surrounding the old Vidette mine. Paymaster completed three NQ diamond drill holes aggregating 1016.8 metres in the mine area (Exploration in B.C. 1983, pp. 356-358). In 1984, Tugold Resources acquired the Vidette mine and conducted various ground surveys (Exploration in B.C. 1984, p. 255).

Recent exploration activity on the Gnome property, lying immediately north of EPI and southeast of the Vidette mine has been considerable. Here, a large elongate body of silicified rock within the Nicola volcanic rocks contains significant amounts of indicator elements and may represent the upper portion of an epithermal system. Recently, Noranda Exploration Co. Ltd. optioned this 20 unit claim from Chevron Canada Resources Ltd. and undertook diamond drilling to test below the surface silicification; results of this work are not at present available to the public.

TABLE 1

Production Records - Vidette Gold Mine - 1933 to 1940

(from B.C. Ministry of Energy, Mines & Petroleum Records - MinFile)

<u>Year</u>	<u>REPORTED RECOVERED METALS</u>					<u>CALCULATED RECOVERED GRADES</u>				
	<u>Tonnes Mined</u>	<u>Au(g)</u>	<u>Ag(g)</u>	<u>Cu(kg)</u>	<u>Pb(kg)</u>	<u>Au (g/tonne)</u>	<u>Au (oz/ton)</u>	<u>Ag (g/tonne)</u>	<u>Ag (oz/ton)</u>	<u>Cu (%)</u>
1933	596	10,264	21,959	408		17.22	0.50	36.84	1.07	0.068
1934	6,547	111,877	225,248	4,168		17.09	0.50	34.40	1.00	0.064
1935	6,554	133,059	245,247	4,950		20.30	0.59	37.42	1.09	0.076
1936	11,205	265,589	426,858	16,854	121	23.70	0.69	38.10	1.11	0.150
1937	9,993	166,588	256,569	11,049	12	16.67	0.49	25.67	0.75	0.111
1938	6,137	102,298	128,518	3,192	28	16.67	0.49	20.94	0.61	0.052
1939	5,917	99,716	103,293	2,189		16.85	0.49	17.46	0.51	0.037
1940	2,218	39,625	40,869	1,015		17.87	0.52	18.43	0.54	0.046
TOTAL	49,167	929,016	1,448,561	43,825	161	18.90	0.55	29.46	0.86	0.089

4.2 Precisely Property

Immediately to the southeast of the EPI property, Mr. Michael Dickens' Precisely property (Stevenson, 1984) is presently under option to Inter-Pacific Resource Corp. Since late 1984, this company has performed extensive geological, geophysical and geochemical surveys on a number of gold-bearing areas of probable epithermal aspect, and has completed 898.8 m of reverse circulation percussion drilling in 20 holes, and 182.9 m of diamond drilling in four holes, with some encouraging results (see Appendix II). Inter-Pacific has recently entered into a joint venture arrangement with Placer Development Ltd. to further explore the property; Placer are reported to be planning to drill in the near future.

4.3 EPI Property

There are no records of extensive exploration activity in the area now covered by the EPI property. A few old prospect pits were dug on silicified zones in altered Nicola volcanic rocks, but no records were found of the results of this work. The property was prospected and acquired by Mr. Dickens in the early 1980's.

## 5.0

GEOLOGY5.1 Regional Geology

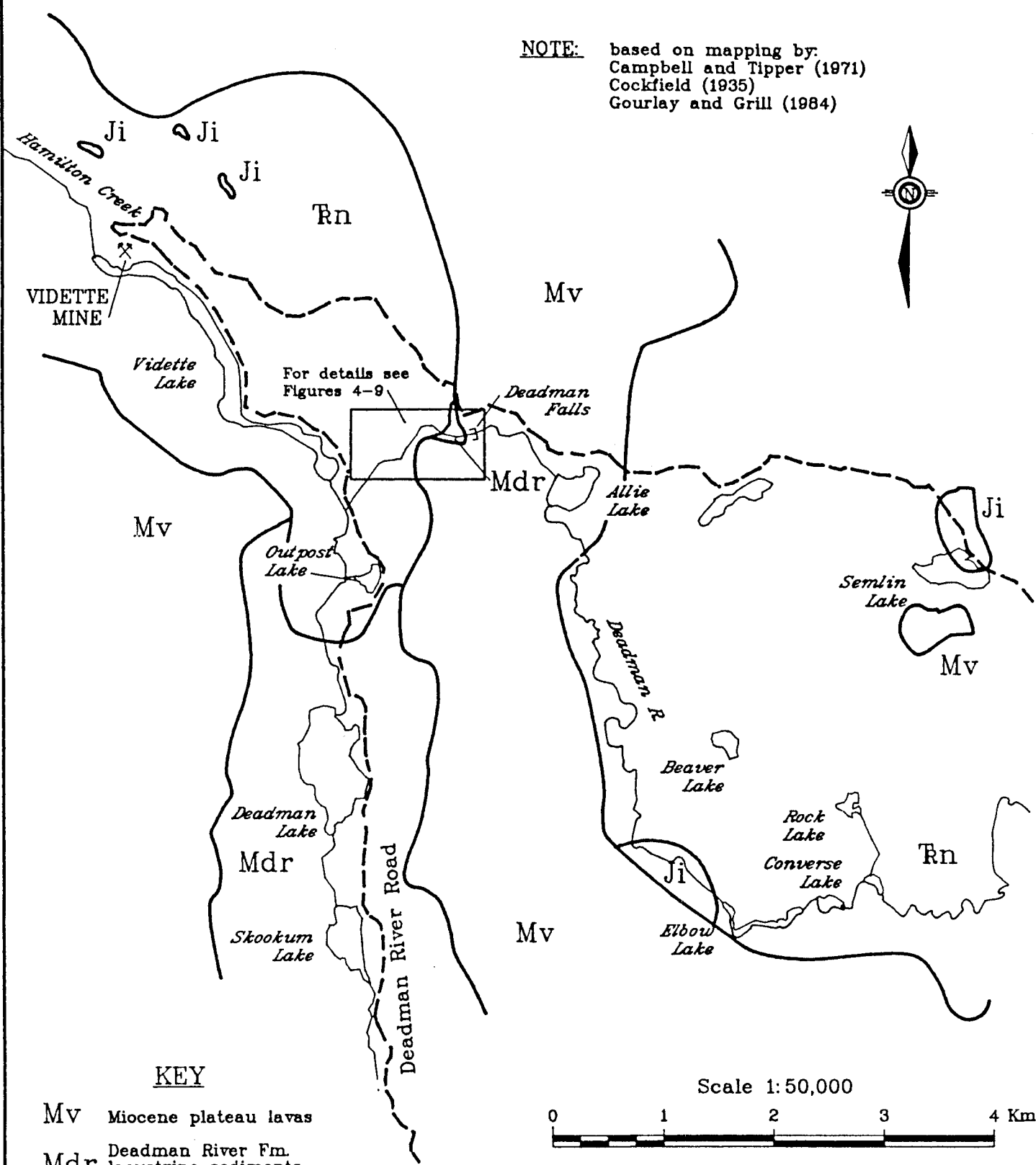
The regional geology of the area surrounding the EPI property has been mapped by Campbell and Tipper (1971) as Triassic Nicola Group rocks exposed in a window through Miocene sedimentary rocks (the Deadman River Formation) and Miocene and/or Pliocene plateau lavas. The Nicola rocks lie immediately south of a poorly exposed but apparently extensive mass of leuco-quartz monzonite and granodiorite thought to be related to the Jurassic Thuya batholith to the north. The area lies about 20 kilometres east of the trace of the Deadman River Fault, a major north north-westerly trending fault which is probably a splay off the great Pinchi-Fraser Fault system (Monger & McMillan, 1983).

Cockfield (1935) and Stevenson (1937) have described the geology within the window in somewhat more detail (see Figure 3). Their studies show that the Nicola rocks are variable "greenstones", ranging from massive coarse-grained augite porphyrites to finer equigranular phases and some amygdaloidal units. In shear zones, these rocks are converted to what are best termed chlorite schists.

A few small dykes and bosses of intrusive rock, of generally granodiorite composition, have been mapped within the window by Cockfield (1935) and Stevenson (1937), and probably represent offshoots from the larger granitic mass to the north.

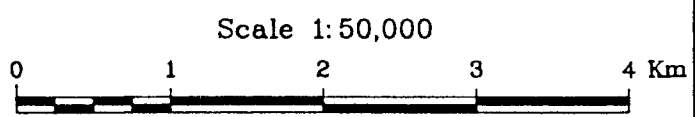
Although Campbell and Tipper (1971) show the Miocene and/or Pliocene plateau basalts to have a widespread and relatively continuous distribution, reference to regional aeromagnetic mapping (Geophysics Paper 7716) suggests that these rocks might be thinner and less continuous than indicated on the geology map.

NOTE: based on mapping by:  
 Campbell and Tipper (1971)  
 Cockfield (1935)  
 Gourlay and Grill (1984)



KEY

- Mv Miocene plateau lavas
- Mdr Deadman River Fm. lacustrine sediments
- Ji Jurassic (?) granitic intrusive rocks
- Rn Triassic Nicola Grp. volcanics and sediments



G.R. Poffler  
 2 Sept 86

JAGUAR GOLD CORP.		
EPI MINERAL PROPERTY - CLINTON M.D.		
GEOLOGY MAP		
DATE: AUG'86	N.T.S.: 92P/2W	FIGURE: 3
MINEQUEST EXPLORATION ASSOCIATES LTD.		

## 5.2 Property Geology

A large portion of the EPI property is underlain by a thin blanket of plateau lavas, which appear to be essentially flat-lying or very gently westward dipping and to have a thickness not exceeding 50 metres. These rocks, according to Campbell and Tipper (1971), are dominantly olivine basalt, with subordinate quantities of pyroxene andesite, and some related ash and breccia beds. The lavas are locally underlain, along the Deadman River Valley, by undeformed lacustrine sediments of the Deadman River Formation. These beds, made up of "tuff, breccia, diatomite, diatomaceous siltstone, pebbly arenites and conglomerate" (Campbell and Tipper, 1971, p. 56) have thicknesses ranging from a few centimetres to as much as 150 metres, and were obviously deposited on a surface of some relief. In late Miocene time, there must have been a large elongate lake along what is now the Deadman River valley.

Underlying the Deadman River Formation, or the plateau lavas where the former strata were not deposited, are rocks of the upper Triassic Nicola Group. The rocks exposed in the principal area of interest, on the flanks of the Deadman River canyon below the falls, are dominantly massive augite porphyry basalts, probably with some intrusive members, typical of the Nicola Group. Pyroclastic units appear to be subordinate. These rocks have been cut by a number of shear zones, with various orientations, in which the basalts are altered to chloritic schists or to quartz-ankeritic carbonate rocks with zones of silicification, quartz-calcite veins, and weakly-developed sulphide mineralization, dominantly pyrite.

On the Precisely property, immediately to the southeast, Gurlay (1986) has mapped considerable amounts of black argillite and argillite breccia within the Nicola sequence; such rocks were not seen in that portion of the EPI property examined.

## 6.0 ALTERATION AND MINERALIZATION

### 6.1 Vidette Lake Area

Cockfield (1935), Stevenson (1937) and Mitchell (1973) have described many aspects of alteration and mineralization at the mine and other showings in the Vidette Lake area. In general, they describe sheared zones in Nicola volcanic rocks, with strong chloritic alteration, and in some places with quartz, ankeritic carbonate and fine disseminated pyrite. Such zones are mostly barren.

The ore zones at Vidette were contained in narrow (perhaps 35 to 40 cm) quartz veins carrying pyrite, some chalcopyrite and locally minor amounts of bismuth telluride. In some areas, the veins have a ribboned appearance caused by thin continuous films of graphite, or of chlorite and pyrite. Galena is not reported, but is presumed to be present since the mine produced some lead at one stage (see Table 1). Perhaps significantly, no As or Sb minerals, such as arsenopyrite, tennantite, tetrahedrite or stibnite were reported from Vidette.

### 6.2 Gnome Claims

Little information is available regarding the Gnome claim mineralization. Conversations with Mr. Dickens and others suggest that a large zone of fine-grained silica alteration traverses the property, and has anomalous values in As, Sb and Hg. Older reports (i.e. Richmond, 1935; Cockfield, 1935) described numerous workings on the Shelley Syndicate property southeast of Vidette, which must have included much of the area now covered by the Gnome mineral claim. Cockfield (1935) mentioned a number of small workings on narrow shear zones in greenstone, with abundant disseminated pyrite and reported (to him) arsenopyrite. Some shear zones carry "veins" made up of rounded nodules of quartz and calcite in the

greenstone, and some narrow quartz stringers. In this case the quartz is barren, "but the adjacent greenstone carries considerable pyrite". In another area on the claims, numerous short narrow lenses ("three or four inches wide and seldom over a foot or two long") consist of flesh-coloured feldspar with large crystals of calcite and very little quartz. The ore minerals are fair-sized masses of chalcopyrite with specular hematite and a little malachite. Numerous other showings occur on these claims, mostly they are irregular zones of quartz and ankeritic carbonate in greenstone, some with a little pyrite. Old reports do not mention any significant values in gold or silver, and of course there were no analyses for exotic elements such as As, Sb, Hg, Te or Se.

### 6.3 Precisely Property

Inter-Pacific Resource Corp. have kindly made the following data available for inclusion in this report. Several types of alteration and mineralization are present on these claims (Gourlay & Grill, 1984; Gourlay 1985, 1986). In the area of the so-called "Depression Trenches", argillite breccia is silicified with chalcedonic quartz and cut by later calcite stringers. Overlying andesitic tuffs host a sucrosic quartz vein with locally strong gold values (see Appendix II). Very similar argillite breccia, with abundant drusy quartz veining and strong silicification, carries anomalous gold (up to 690 ppb) in the "Beaver Lake" area to the southwest. Rock samples from these areas typically contain several hundred ppm As; Hg and Sb were not determined.

Still further to the south, surface exposures and drill holes have revealed, in the "Bridge Zone", that a medium-grained biotite quartz diorite contains narrow quartz stringers with selvages up to 20 cm thick of intense bleaching and weak pyritization. These veinlets carry arsenopyrite and locally significant gold values. Drill results in this area were most encouraging (see Appendix II), and further work is planned.

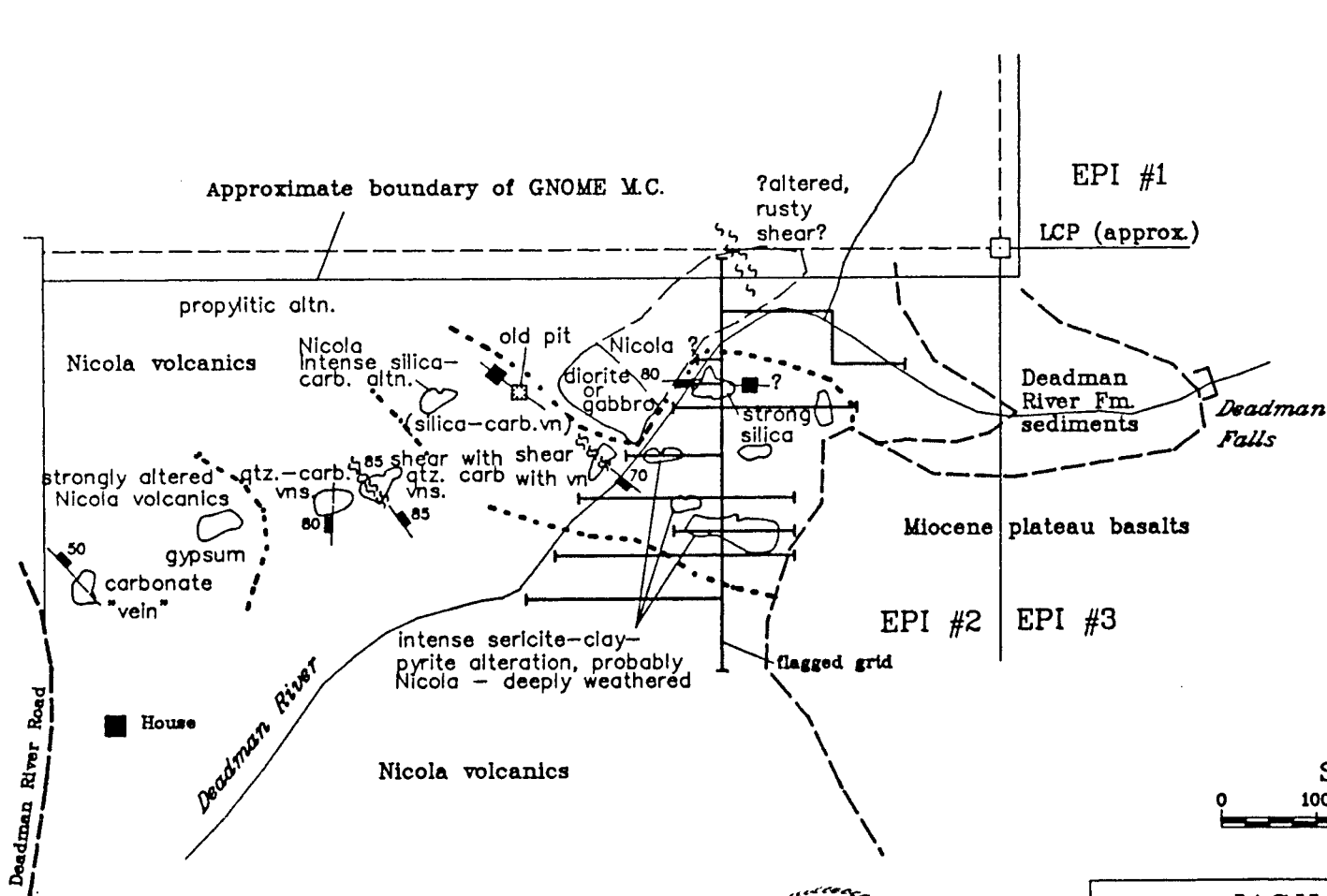


#### 6.4 EPI Property

On that part of the EPI property visited during this examination (see Figure 4), alteration and mineralization closely resembles that described above for the Gnome claim. Detailed descriptions of individual rock samples are found in Appendix I. Generally speaking, numerous zones of variable thickness within the Nicola greenstone have been sheared and altered to chloritic schists and in some cases further altered to masses of silica and brown ankeritic carbonate. Some zones have irregular, narrow veins or vein breccias, usually with very sparse sulphides (pyrite and traces of chalcopyrite). Sulphide content of veins appears in general to increase with depth in the canyon of Deadman River. In some areas where the volcanics are intensely altered and weathered, the rock is cut by abundant thin stringers of gypsum, probably derived from the breakdown of pyrite and carbonates. Between shears or more intensely altered areas, the Nicola greenstones exhibit typical propylitic (epidote-calcite) alteration with abundant pyrite. South of Deadman River the Nicola rocks display intense sericite-clay alteration, and although strongly weathered give the impression of having at some time contained abundant fine disseminated pyrite.

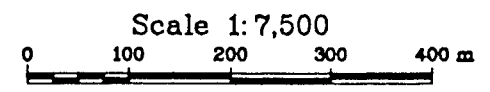
Local zones in this area show intense silicification, with the resulting rock generally dark grey, probably from the presence of very finely divided sulphides.

The strongly weathered nature of the rocks in this region makes positive identification impossible, and it might well be that a significant portion is made up of fine-grained intrusive rocks like those which host mineralization at the "Bridge Zone" on the Precisely property to the south.



**KEY**

- Geologic contact
- outline of strong alteration
- vein or zone of silicification
- outcrop area



G.R. Peatfield  
 2 Sept 86

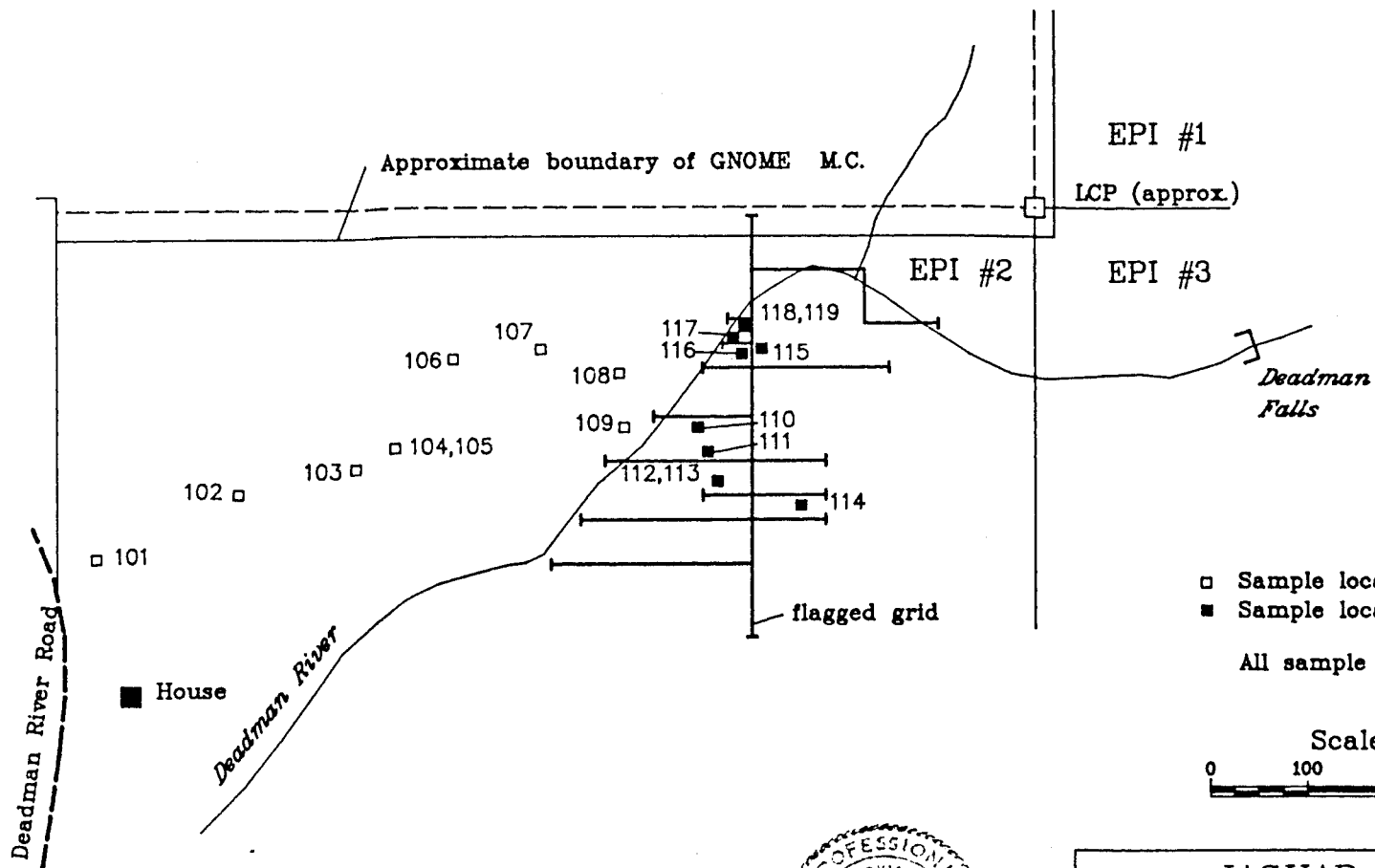
JAGUAR GOLD CORP.			
EPI MINERAL PROPERTY - CLINTON M.D.			
GEOLOGY OF SHOWING AREA			
PLAN No.	DRAWN BY: GEO-COMP	DATE AUG.'86	FIGURE 4
Originator: GRP		N.T.S. 92P/2W	
MINEQUEST EXPLORATION ASSOCIATES LTD.			

7.0

ROCK SAMPLING

In the course of this examination, a number of rock samples, both grabs and continuous chips across specific areas of interest, were collected and submitted for analysis. The pertinent results of these analyses and brief descriptions of the samples are listed in Table 2; locations of the samples are shown on Figure 5 and results are shown on Figures 6 to 9. More detailed descriptions of the rocks are found in Appendix III and detailed analytical results form Appendix IV.

This sampling was undertaken to confirm the presence of anomalous gold values and of significant quantities of various elements, particularly arsenic, antimony and mercury, which are commonly associated with the upper levels of epithermal gold systems.

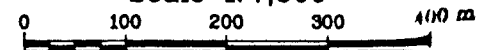


**KEY**

- Sample location approximate
- Sample location well located

All sample numbers prefixed GRP00

Scale 1:7,500



G. R. Peatfield  
2 Sept '86



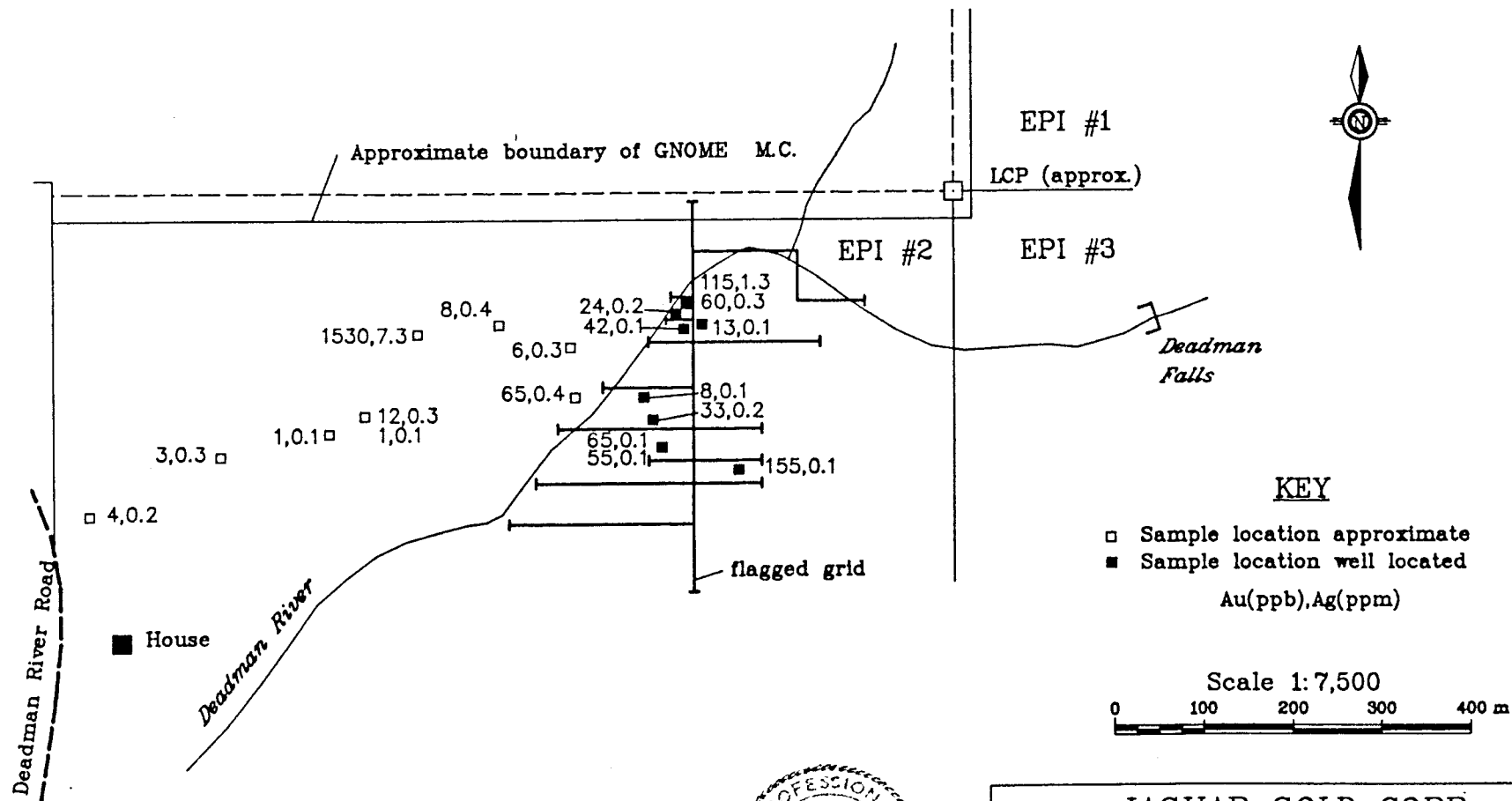
JAGUAR GOLD CORP.

EPI MINERAL PROPERTY - CLINTON M.D.

**SAMPLING PLAN**

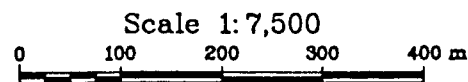
PLAN No.	DRAWN BY: GEO-COMP	DATE AUG. '86
Originator: GRP		N.T.S. 92P/2W

FIGURE  
5



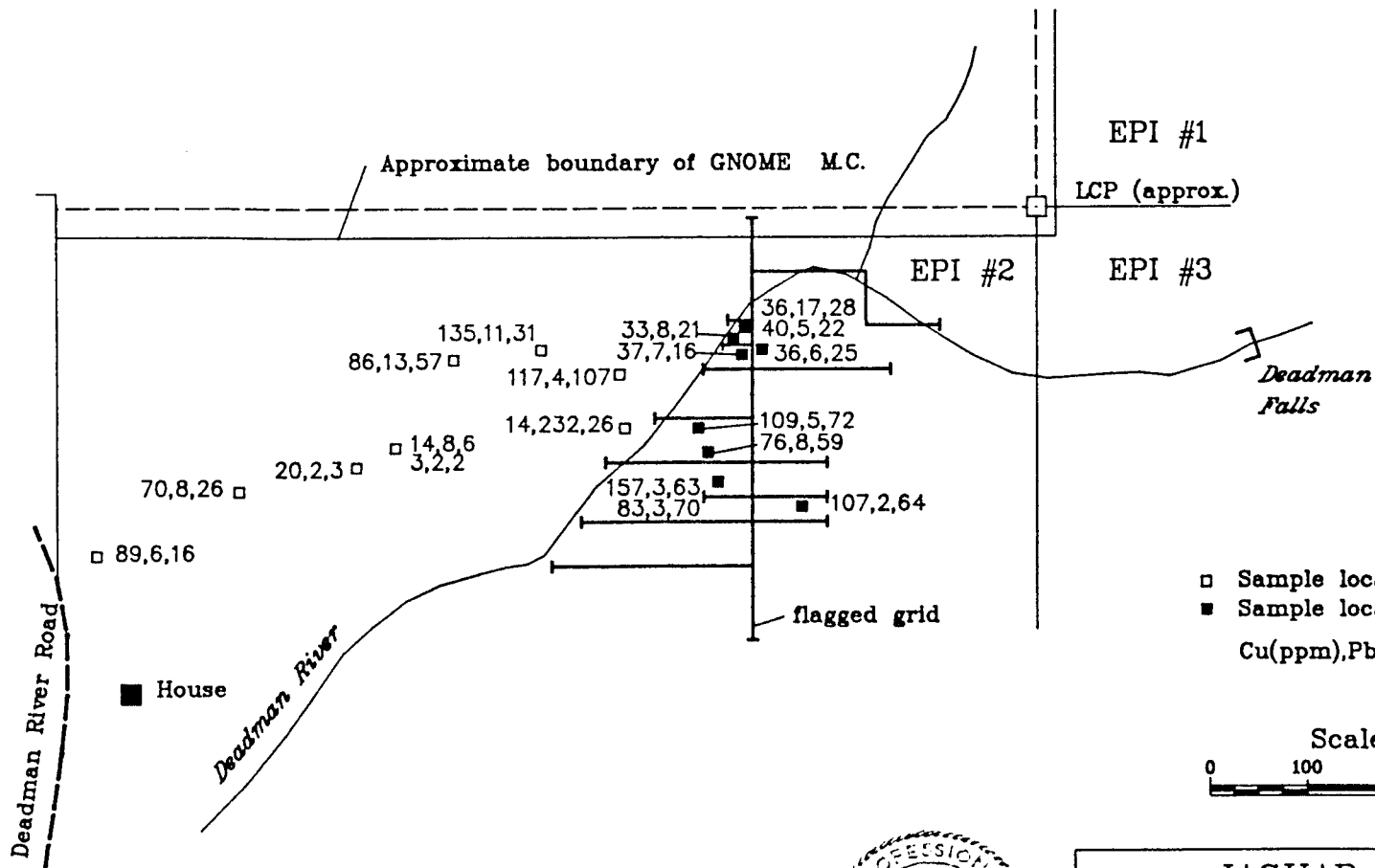
**KEY**

- Sample location approximate
  - Sample location well located
- Au(ppb), Ag(ppm)



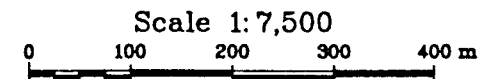
G.R. Peasfield  
 2 Sept '86

<b>JAGUAR GOLD CORP.</b>			
EPI MINERAL PROPERTY - CLINTON M.D.			
<b>ROCK GEOCHEMISTRY</b>			
Au, Ag			
PLAN No.	DRAWN BY: GEO-COMP	DATE AUG. '86	<b>FIGURE</b>  <b>6</b>
Originator: GRP		N.T.S. 92P/2W	
MINEQUEST EXPLORATION ASSOCIATES LTD.			



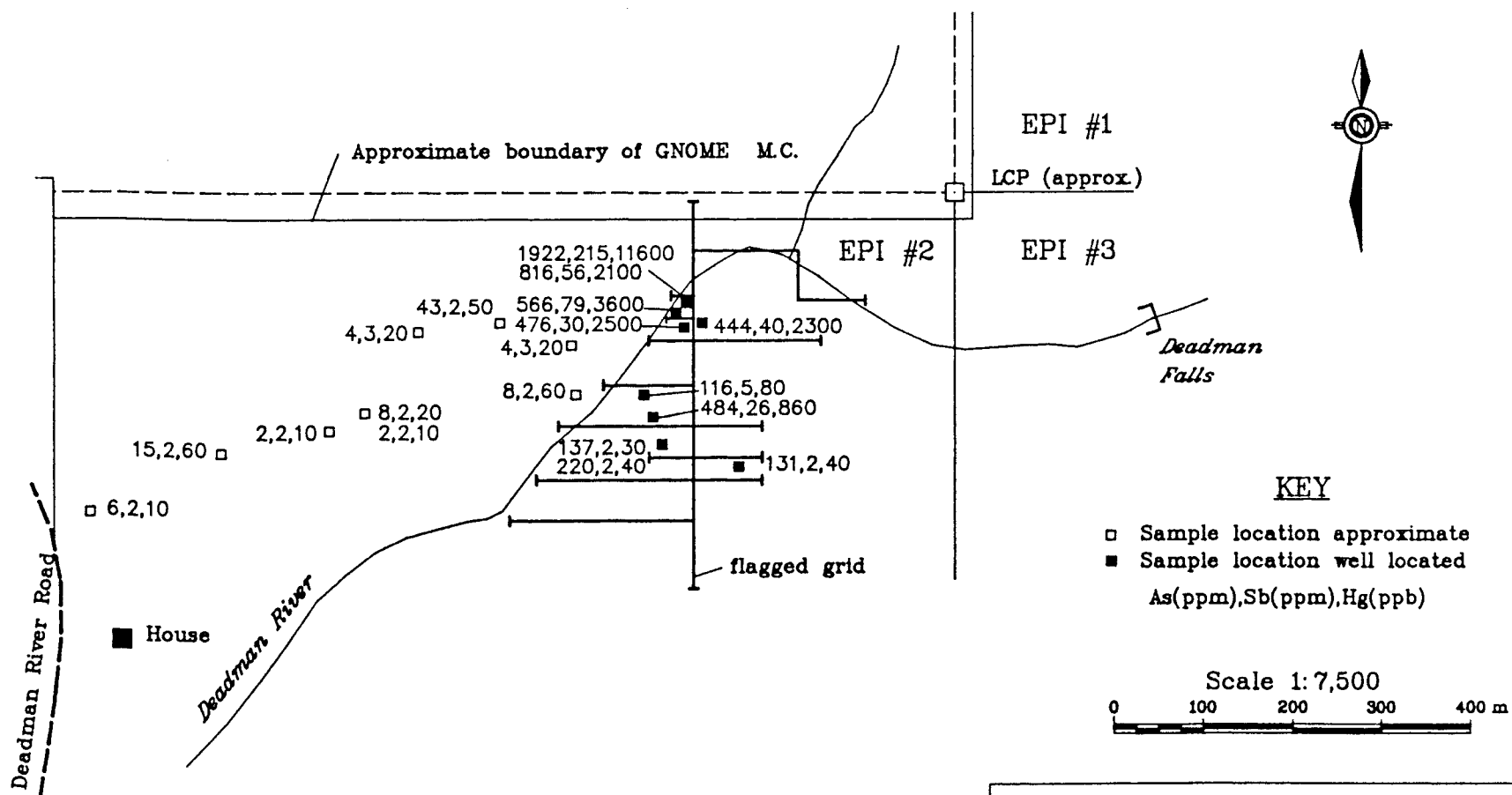
**KEY**

- Sample location approximate
  - Sample location well located
- Cu(ppm),Pb(ppm),Zn(ppm)



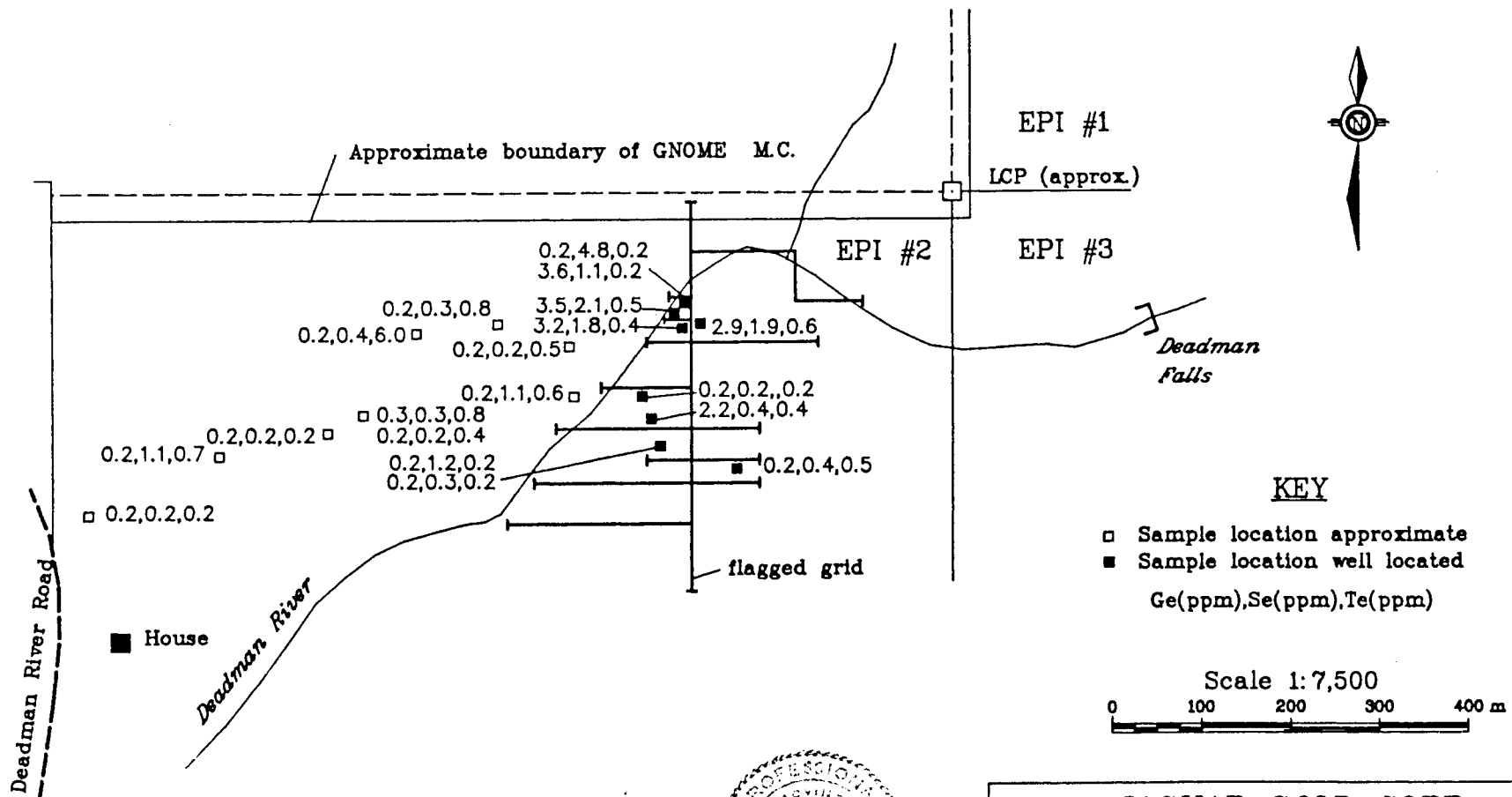
G.R. Peatfield  
2 Sept '86

JAGUAR GOLD CORP.			
EPI MINERAL PROPERTY - CLINTON M.D.			
ROCK GEOCHEMISTRY Cu, Pb, Zn			
PLAN No.	DRAWN BY: GEO-COMP	DATE AUG.'88	FIGURE 7
Originator: GRP		N.T.S. 92P/2W	
MINEQUEST EXPLORATION ASSOCIATES LTD.			



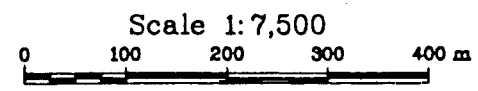
G.R. Peatfield  
2 Sept '86

JAGUAR GOLD CORP.			
EPI MINERAL PROPERTY - CLINTON M.D.			
ROCK GEOCHEMISTRY As, Sb, Hg			
PLAN No.	DRAWN BY: GEO-COMP	DATE AUG '86	FIGURE 8
Originator: GRP		N.T.S. 92P/2W	
MINEQUEST EXPLORATION ASSOCIATES LTD.			



**KEY**

- Sample location approximate
  - Sample location well located
- Ge(ppm),Se(ppm),Te(ppm)



G.R. Peatfield  
2 Sept 86

JAGUAR GOLD CORP.			
EPI MINERAL PROPERTY - CLINTON M.D.			
ROCK GEOCHEMISTRY Ge, Se, Te			
PLAN No.	DRAWN BY: GEO-COMP	DATE AUG.'86	FIGURE 9
Originator: GRP		N.T.S. 92P/2W	
MINEQUEST EXPLORATION ASSOCIATES LTD.			



TABLE 2

## Rock Sample Descriptions and Pertinent Analytical Results

Sample #	Interval	Rock Type	As (ppm) <sup>2</sup>	As (ppm) <sup>3</sup>	Sb (ppm) <sup>2</sup>	Sb (ppm) <sup>3</sup>	Ge (ppm) <sup>3</sup>	Se (ppm) <sup>3</sup>	Te (ppm) <sup>3</sup>	Ag (ppm) <sup>2</sup>	Au (ppb) <sup>4</sup>	Hg (ppb) <sup>5</sup>
101 <sup>1</sup>	random chips	altered volcanics	6	13.6	2	2.4	0.2	0.2	0.2	0.2	4	10
102	"	altered volcanics	15	16.2	2	0.9	0.2	1.1	0.7	0.3	3	60
103	"	qtz-feldspar vein	2	1.1	2	0.1	0.2	0.2	0.2	0.1	1	10
104	"	qtz-carb vein	8	8.7	2	0.4	0.3	0.3	0.8	0.3	12	20
105	"	qtz-carb vein	2	1.0	2	0.1	0.2	0.2	0.4	0.1	1	10
106	"	silica-carb alt. volc.	4	6.3	3	2.4	0.2	0.4	6.0	7.3	1530	20
107	"	silica-carb "vein"	43	42.9	2	1.1	0.3	0.2	0.8	0.4	8	50
108	"	diorite or gabbro	4	2.9	3	0.3	0.2	0.2	0.5	0.3	6	20
109	"	qtz-carb "vein"	8	11.2	2	0.1	0.2	1.1	0.6	0.4	65	60
110	2m chip	altered volcanics	116	110.4	5	4.5	0.2	0.2	0.2	0.1	8	80
111	random chips	altered volcanics	484	371.9	26	28.1	2.2	0.4	0.4	0.2	33	860
112	1.5m chip	altered volcanics	137	132.8	2	3.0	0.2	1.2	0.2	0.1	65	30
113	0.75m chip	altered volcanics	220	178.8	2	4.6	0.2	0.3	0.2	0.1	55	40
114	4m chip	altered volcanics	131	137.8	2	2.9	0.2	0.4	0.5	0.1	155	40
115	1m chip	silicif. volcanics	444	354.6	40	42.4	2.9	1.9	0.6	0.1	13	2300
116	grabs	silicif. volcanics	476	371.2	30	36.3	3.2	1.8	0.4	0.1	42	2500
117	grabs	silicif. volcanics	566	411.5	79	78.3	3.5	2.1	0.5	0.2	24	3600
118	grabs (float)	silicif. volcanics	1922	409.1	215	248.3	0.2	4.8	0.2	1.3	115	11600
119	grabs (float)	silicif. volcanics	816	412.0	56	64.6	3.6	1.1	0.2	0.3	60	2100
	quoted detection limit for method		2	0.1	2	0.1	0.2	0.2	0.3	0.1	1	5
	saturation point for method			350								

1. All sample numbers are prefixed GRP86-
2. Extraction by 3:1:2-HCl:HNO<sub>3</sub>+H<sub>2</sub>O; analysis by ICP
3. Extraction as above, treatment with sodium borohydride; analysis by ICP
4. Au by fire assay extraction, atomic absorption analysis
5. Hg analysis by flameless atomic absorption

8.0

DISCUSSION

The alteration and mineralization at the EPI property show many similarities to conditions at certain types of "epithermal" gold deposits (see, e.g., Giles and Nelson, 1982; Panteleyev, 1986). The most compelling points are the clearly anomalous amounts of As, Sb, Hg, Se, Ge and locally Te, along with low but anomalous values in Au in several rock samples, especially strongly silicified volcanic rocks. Such conditions commonly occur in the siliceous zones above epithermal bonanza veins. In addition to these geochemical criteria, the alteration features are very similar to those above many epithermal systems, with argillic to phyllic alteration grading outward from silicified zones to widespread propylitic alteration of volcanic rocks. These zonations are also often expressed in a vertical sense, and if the experience in many epithermal camps were repeated at EPI, we could expect to see the zones of silicification coalesce to form coherent quartz lodes. Given the trace metal contents exposed at surface, such veins could reasonably be expected to carry significant gold and silver values.

Giles and Nelson (1982) make the point that the "source rocks need not be particularly rich in gold but do need to contain gold in accessible sites. Pillow basalts, in particular, and sea-floor metamorphosed mafic volcanics, in general, seem to be favourable to gold mobilization by chloride and bisulphide complexes". Certainly, the Nicola augite basalts and related rocks, with their widespread anomalous copper contents and demonstrated gold-copper mineralization (in a regional sense) would seem to constitute very favourable source rocks.

Assuming that the observed alteration is pre-Miocene, there is a good chance that the ground surface at the time of alteration and mineralization might have been at the level presently marked by the base of the Miocene flows, and that in fact we are seeing the near-surface expression of an epithermal hot-spring system. This is entirely consistent with the observed facts, and means that we will have to search at depth for bonanza vein ores.

A further possibility exists, however. One isolated sample made up of random chips of strongly silica-carbonate altered volcanic rocks contained highly anomalous (1,530 ppb or 1.5 grams/tonne) amounts of gold. The possibility of a larger, bulk-tonnage deposit cannot be discounted, and the additional possibility that such a system was deeply weathered and the resulting oxide deposit protected by the plateau lavas also warrants further study.

9.0

RECOMMENDATIONS

The following work is recommended:

Phase I:

- 1) Detailed mapping, at scales of 1:5,000 or more detailed, of that portion of the property covering the Deadman River canyon below the falls.
- 2) Establishment of a grid to provide control for this and other studies.
- 3) Reconnaissance geological mapping, at a scale of 1:10,000, of the rest of the property, with emphasis on that portion of the claims where Nicola Group rocks are exposed.
- 4) Careful location of the LCP for the Gnome mineral claim and definition of its southern boundary vis-a-vis the area of interest on EPI #2.
- 5) Continued prospecting of the entire property.
- 6) Geochemical surveys, including soil and rock sampling, of the area mapped in detail in 1) above. Reconnaissance geochemistry, as part of the mapping program, on the rest of the property. Analyses should be for a broad suite of elements, including those used in this report and, in addition, Ba.
- 7) Geophysics in the detailed area, to consist of magnetometry and VLF-EM profiles to outline geological features such as faults, fractures and alteration zones. Consideration should be given to induced polarization surveys (chargeability and resistivity) to detect zones of strong sulphides and of silicification.

- 8) Hand trenching and detailed sampling of areas of interest. Analyses should be for a broad suite of elements including those commonly used as indicators of epithermal gold mineralization. Special attention should be given to the areas of sample numbers GRP86-106, 109, 111, and 114 to 119.
- 9) Computer-assisted study of satellite imagery to delineate linear or arcuate zones, or areas of anomalous spectral reflectance, which are not visible on conventional air photographs. Such a study would be especially valuable in parts of the property underlain by the veneer of plateau basalt, where the precise location of its edge is not known with certainty.
- 10) Assessment of the results of Phase I. Contingent on this assessment, proceed to Phase II.

#### Phase II

- 1) Expanded geochemical and geophysical surveys as warranted by the results of Phase I.
- 2) An accurate survey (by a BCLS) of the property boundaries in the area of interest, before drilling.
- 3) Diamond drilling to test targets developed in Phase I.
- 4) Analysis of cores from diamond drilling to establish evidence, if any, of vertical zoning of metals.
- 5) Contingent on Phase II, following a detailed review of the data, proceed to Phase III.

#### Phase III

- 1) Continued diamond drilling to further explore targets defined in Phase II. Other surveys as warranted.

G.R. Peatfield  
2 Sept 86

10.0

COST ESTIMATEPhase I - Preparatory Surveys

1) Geological mapping and sampling	\$ 15,150
2) Geochemical sampling, grid	14,950
3) Geophysical surveys	7,750
4) Computer-assisted remote sensing	3,500
5) Supervision, engineering and reporting	10,000
	<hr/>
	\$ 51,350
	<u>Allow \$ 57,000</u>

Phase II - Initial Diamond Drill Test

1) Diamond drilling; 800 m at \$80/m	\$ 64,000
2) Surveying	2,500
3) Analyses	2,000
4) Road-work for drill access	10,000
5) Expanded geochemistry	25,000
6) Expanded geophysics	15,000
7) Supervision, engineering and reporting	15,000
	<hr/>
	\$133,500
	<u>Allow \$150,000</u>

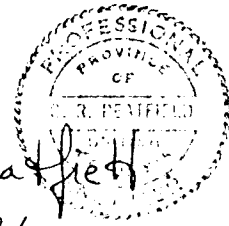
Phase III - Follow-up Diamond Drilling

1) Diamond drilling; 2000 m at \$75/m	\$150,000
2) Access roads	5,000
3) Supervision, engineering and reporting	25,000
	<hr/>
	\$180,000
Allow	<u><u>\$200,000</u></u>

TOTAL - Phases I to III \$364,850

Allow \$407,000

G.R. Peatfield  
2 Sept '86



# INTER-PACIFIC RESOURCE CORP.

Suite 201 - 311 Water Street  
Vancouver, B.C. V6B 1B8  
(604) 669-2251

Trading Symbol: IPF

NEWS RELEASE

July 26, 1985

Work resumed in June on the Company's PRECISELY mineral property, a disseminated bulk-tonnage gold prospect located 40 km north of Savona, B.C.

Geophysical surveys (Induced Polarization, VLF-EM, and ground magnetics) were directed at determining whether the gold mineralization observed in outcrop (summarized overleaf) extends into areas covered by overburden. Results are very encouraging, with strong indications of mineralization over substantial areas adjacent to two of the three showings.

#### Bridge Showing:

The I.P. survey outlined strong, coincident chargeability and resistivity anomalies indicating that an altered zone extends 150 metres to the west and at least 700 metres along strike from an outcrop of altered intrusive rock where assay values included 0.28 oz/ton gold over 0.5 metres.

#### Beaver Lake Showing:

Nicola argillite exposed near Beaver Lake hosts a quartz stockwork with consistent, anomalous gold values. The V.L.F. survey shows that this argillite unit extends some 600 metres to the north. A coincident chargeability and resistivity anomaly down dip from the showing provides a precise target for at least four percussion drill holes.

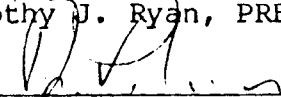
#### Depression Trenches:

At this location, the argillite stockwork occurs near a vein which assayed 0.047 oz/ton across one metre, with a grab sample assaying 0.4 oz/ton. Geophysical results here were inconclusive.

#### AUGUST WORK PROGRAM:

Bulldozer trenching and drill site preparation will commence by August 1st. Drilling will begin during the first week of August, with two diamond drill holes intended principally to provide stratigraphic information and to confirm geophysical interpretations. These holes, and eight reverse circulation percussion holes, will constitute the first half of the Phase I drill program.

  
\_\_\_\_\_  
Timothy J. Ryan, PRESIDENT & DIRECTOR

  
\_\_\_\_\_  
Robert V. Longe, VICE-PRESIDENT & DIRECTOR

This progress report has been prepared by the Company's officers, who have accepted responsibility for its content. The Vancouver Stock Exchange has neither approved nor disapproved of this report. Further information can be obtained from either of the above at 669-2251.

Ref: NR0285



DIAMOND DRILLING REPORT

ON THE

EPI 1-4 and K.G.D. CLAIMS

CLINTON MINING DIVISION

N.T.S. 92P-2W

Latitude: 51°09'N; Longitude 120°51'W

OWNER: Inco Limited

OPERATOR: Canadian Nickel Company Limited  
Work done from June 18, 1989 to July 9, 1989

J.A. Morin, PhD.  
Project Geologist  
Canadian Nickel Company Limited  
Vancouver, B.C.  
September, 1989



TYPE OF REPORT/SURVEY(S)	TOTAL COST
DRILLING	86,115.00

AUTHOR(S) . . . James A. Morin . . . . . SIGNATURE(S) *J. Morin*

DATE STATEMENT OF EXPLORATION AND DEVELOPMENT FILED July 10, 1989 . . . . . YEAR OF WORK 1989

PROPERTY NAME(S) . . . . . EPI

COMMODITIES PRESENT . . . . . Nil

B.C. MINERAL INVENTORY NUMBER(S), IF KNOWN . . . . .

MINING DIVISION Clinton . . . . . NTS 92P-2W

LATITUDE . . . 51°09'N . . . . . LONGITUDE . . . 120°51'W

NAMES and NUMBERS of all mineral tenures in good standing (when work was done) that form the property [Excludes: 1A, 1d, FIDE 2 (12 units); PHOENIX (Lot 1706); Mineral Lease M 123; Mining or Certified Mining Lease ML 12 (units not valued)]

. . . . . EPI 1-4; K.G.D. (54 units)

OWNER(S)

(1) Inco Limited . . . . . (2)

MAILING ADDRESS

Box 12134, Nelson Square  
808 Nelson Street  
Vancouver, B.C., V6Z 2H2

OPERATOR(S) (that is, Company paying for the work)

(1) Canadian Nickel Company Limited . . . . . (2)

MAILING ADDRESS

Box 12134, Nelson Square  
808 Nelson Street  
Vancouver, B.C., V6Z 2H2

SUMMARY GEOLOGY (lithology, age, structure, alteration, mineralization, size, and attitude):

Late Triassic andesitic lapilli tuff of the Nicola Group is overlain by Miocene volcanic rocks and cut by rare quartz+feldspar porphyry dikes of Cretaceous(?) age. Northerly, northwesterly and northeasterly trending fault zones cut the pre-Miocene rocks. Carbonatization+silicification, argillic alteration and weak quartz veining are associated with the fault zones. No significant gold mineralization was discovered; the highest gold value in drilling is 0.3 ppm Au over 2.8 m of chlorite-clay altered Nicola lapilli tuff. Cockfield, 1935 - GSC Memoir 179

REFERENCES TO PREVIOUS WORK . . . . .

## TABLE OF CONTENTS

	<u>Page</u>
1.0 SUMMARY	1
2.0 INTRODUCTION	1
2.1 Location, Access, Physiography	1
2.2 Property Definition	1
2.3 Previous Work	2
2.4 1989 Exploration Program	2
3.0 REGIONAL GEOLOGY	3
4.0 PROPERTY GEOLOGY	3
5.0 DIAMOND DRILLING	4
5.1 Drill Program	4
5.2 Drilling Results	4
6.0 CONCLUSIONS	6
7.0 REFERENCES	7
8.0 STATEMENT OF EXPENDITURES	8
9.0 AUTHOR'S QUALIFICATIONS	9

APPENDICES

Appendix A - Borehole Logs

Appendix B - Analytical Results

FIGURES

- |  |              |
|--|--------------|
| Figure 1 - Location Map, scale 1:250,000                       | After Page 1 |
| Figure 2 - Location of claim and baseline,<br>scale 1:50,000   | After Page 1 |
| Figure 3 - Geology and borehole location<br>map, scale 1:5,000 | In Pocket    |

## 1.0 SUMMARY

The EPI 1-4 and K.G.D. claims (54 units), located approximately 63 km north of Savona, British Columbia in the Clinton Mining Division, were staked in 1985 and 1986 by Michael Dickens and optioned to Inco Limited in 1988. Access to the property is via the Deadman River road which connects to the Trans Canada Highway.

Geologically, the EPI claim group is underlain by Late Triassic mafic to intermediate volcanic rocks of the Nicola Group. These are intruded by Triassic or Jurassic granitic rocks of the Thuya Batholith Suite. The Nicola volcanics were locally silicified near the paleo-surface and carbonatized further at depth. Extensive Eocene sedimentary and volcanic rocks cover much of the older rocks. Several faults and shear zones cut the pre-Eocene rocks. Mineralization consists of thin quartz veins with minor base and precious metal values cutting zones of carbonatization within the Nicola volcanics.

Diamond drilling in 1989 consisted of 3 holes totalling 1076.93 m. The drilling program determined variable carbonatization, argillic alteration and weak quartz veining within Nicola Group volcanic rocks. However, no significant gold mineralization was encountered. The highest value in drilling is 0.3 ppm Au over 2.8 m of chlorite - clay altered Nicola lapilli tuff.

## 2.0 INTRODUCTION

This report covers work done on the EPI 1-4 and K.G.D. claims (54 units) during the period June 18 to July 9, 1989.

### 2.1 Location, Access, Physiography

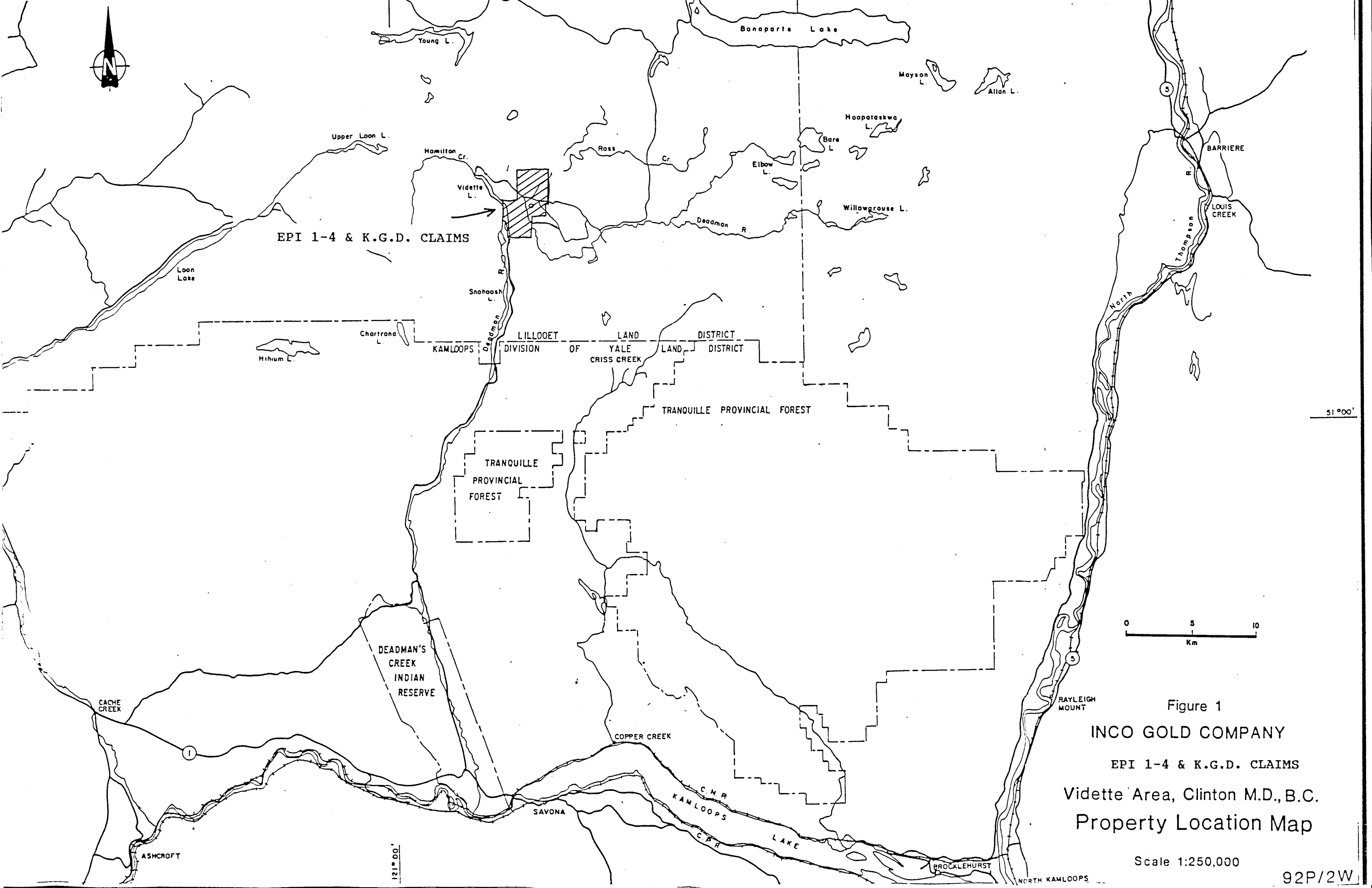
The EPI 1-4 and K.G.D. claims are located approximately 55 km north of the Trans Canada Highway along the Deadman River road which leaves Highway No. 1 eight km west of Savona, B.C. and 35 km east of Cache Creek. The Deadman River road cuts through the southwestern and central parts of the claims.

The claim group occurs on a relatively flat plateau with elevations ranging from 1025 m to 1100 m above sea level. The northern part is cut by the Deadman River gorge which ranges from 884 m to 1037 m above sea level. Two small sub-kilometre lakes are present: Outpost Lake on EPI #2 claim and Allie Lake on EPI #3. Drainages flow southerly into the Deadman River system.

### 2.2 Property Definition

The EPI 1-4 and K.G.D. claims are located in the Clinton Mining Division, claim sheet N.T.S. 92P-2W (Figure 1).

Canadian Nickel Company Limited has conducted exploration work on the EPI 1-4 and K.G.D. claims owned by Inco Limited. The claim holdings consist of five claims totalling 54 units.



EPI 1-4 & K.G.D. CLAIMS

LILLOOET DIVISION OF YALE LAND DISTRICT  
KAMLOOPS LAND DISTRICT

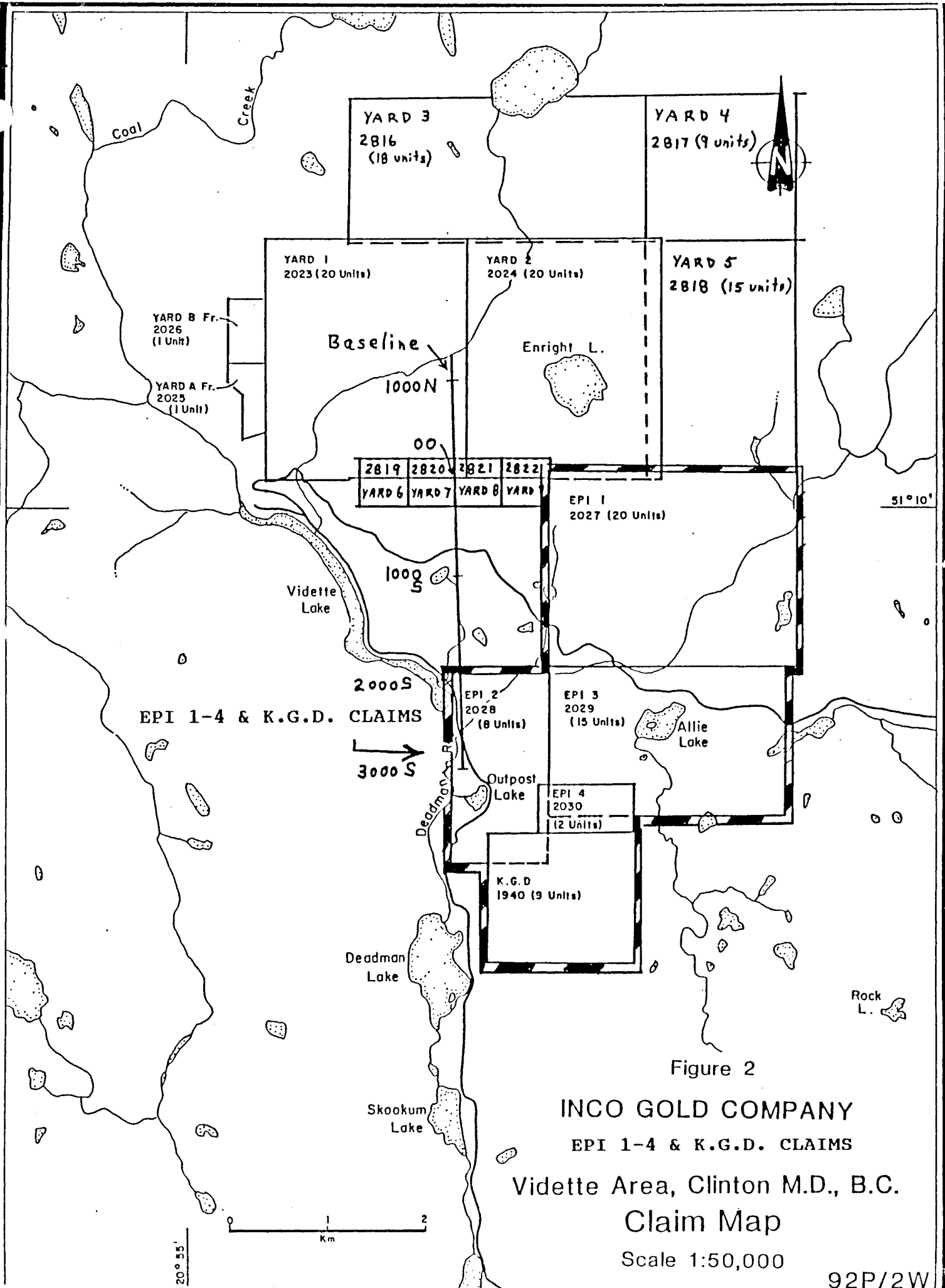
TRANQUILLE PROVINCIAL FOREST

TRANQUILLE PROVINCIAL FOREST

DEADMAN'S CREEK INDIAN RESERVE

Figure 1  
**INCO GOLD COMPANY**  
 EPI 1-4 & K.G.D. CLAIMS  
 Vidette Area, Clinton M.D., B.C.  
 Property Location Map

Scale 1:250,000



<u>Name</u>	<u>Units</u>	<u>Record No.</u>	<u>Date Recorded</u>	<u>Expiry Date</u>
EPI #1	20	2027	July 11, 1986	July 11, 1991
EPI #2	8	2028	July 11, 1986	July 11, 1990
EPI #3	15	2029	July 11, 1986	July 11, 1990
EPI #4	2	2030	July 11, 1986	July 11, 1990
K.G.D.	9	1940	Dec. 10, 1985	Dec. 10, 1990

### 2.3 Previous Work

A review of the B.C. Ministry of Energy, Mines and Petroleum Resources Mineral Inventory and Assessment Report Index Map indicates no previous work has been filed or reported on the ground covered by the EPI 1-4 and K.G.D. claims other than work in 1988 conducted by Canadian Nickel Company Limited. The latter work consisted of gridding, prospecting, geological mapping, rock and soil geochemical sampling.

Few anomalies occur over the gridded parts of the EPI 2 and 3 claims because of the lack of response from extensive Miocene sedimentary and volcanic rocks. Those anomalies present occur within the area underlain by Nicola Group volcanics. A broad arsenic anomaly (up to 694 ppm) and two spot silver anomalies (each 0.7 ppm) are coincident with the carbonatized ± silicified zones on either side of Deadman River. An elongate NW-trending gold anomaly (up to 150 ppb) is present on the south side of the Deadman River at 2400S and 325E and a small arsenic anomaly occurs at 2500S along the baseline (40 ppm).

Previous work in the nearby area has concentrated on the Vidette Mine and the contiguous GNOME claim to the northwest.

During the period 1933 to 1940, the Vidette Mine produced approximately 40,000 oz of gold, 30,000 oz of silver and 100,000 lbs of copper from 55,000 tons of ore (Gruenwald, 1980). Mineralization consists of northwest trending quartz veins with pyrite, chalcopyrite and tellurides and the veins are localized along "fault fractures in the Nicola greenstones" (Cockfield, 1935, p. 30).

The GNOME claim has been explored as a molybdenum prospect in the late 1970's and early 1980's and more recently as a gold prospect. The most recent work program involved geological mapping, geochemistry and diamond drilling of two holes (Morin, 1989).

### 2.4 1989 Exploration Program

The 1989 exploration program was carried out by Canadian Nickel Company Limited and a contractor, Beaupre Diamond Drilling Limited during June 18 to July 9, 1989. The program consisted of diamond drilling 3 holes totalling 1076.93 m. A total of 376 core samples were geochemically analyzed by the ICP method for 30 elements and by atomic absorption for gold.



### 3.0 REGIONAL GEOLOGY

Upper Proterozoic to Triassic eugeosynclinal sedimentary and volcanic rocks form a northwest trending sequence of rocks within this part of the Intermontane Belt in south-central British Columbia (Bonaparte Lake map-area, N.T.S. 92P - Campbell and Tipper, 1971). They are intruded by two suites of granitic plutonic bodies: the older Thuya and Takomkane Batholiths of Triassic or Jurassic age and the younger Cretaceous Raft and Baldy Batholiths. Extensive Tertiary volcanic and minor sedimentary rocks overlie much of the older rocks.

Regional structure is dominated by north-northwest trending faults: the Pinchi Fault to the northeast and the Fraser-Straight Creek Fault to the west. Shear zones with related alteration and mineralization are commonly associated with these faults.

### 4.0 PROPERTY GEOLOGY

The EPI claim group is underlain by late Triassic Nicola Group volcanics intruded by granitic rocks of the Triassic or Jurassic Thuya Batholith and overlain by Miocene sediments and volcanics.

General geology of part of the property is outlined in Figure 3.

#### 4.1 Geological Units

Late Triassic andesitic lapilli tuff of the Nicola Group are the oldest rocks on the property. Rare quartz +\- feldspar porphyry dikes of Cretaceous(?) age cut the Nicola Group.

Overlying the Nicola volcanics on the EPI claim group are local clastics of the Miocene Deadman River Formation and lava flows of the Plateau Lava. The volcanics overlie the sediments and consist of olivine-porphyrific basalt lava flows.

#### 4.2 Structure, Alteration and Mineralization

The area is cut by numerous faults and shear zones. Deformation is widespread and especially prominent in rocks of the Nicola Group. They display no primary layering and vary from massive to intensely sheared, the latter especially near faults and shear zones.

Four types of fault structures are evident:

- 1) N-NW-trending major fault along the Vidette Lake valley;
- 2) W-NW-trending shear zones with locally extensive argillic alteration, carbonatization and minor quartz veins and silicification; some en echelon sinistral offset of the Vidette Lake valley fault has taken place along these shear zones;
- 3) N-trending lineament marked by sheared Nicola Group rocks locally cut by quartz vein swarms and overlain by highly silicified Nicola volcanics and chalcedony matrix breccia;

4) W-SW-trending airphoto lineaments probably correlative with normal faults and locally coincident with Deadman Creek.

Campbell and Tipper (1971) considered much of the deformation to be related to block faulting of probable Cretaceous age.

Alteration is widespread in rocks underlying the EPI 1-4 and K.G.D. claims (Morin, 1988). Nicola volcanics are extensively altered to chlorite-rich calcareous greenstones and range from massive to schistose in texture. They are locally carbonatized within zones of intense shearing to assemblages of ankerite and dolomite(?) with minor quartz and calcite. This alteration is especially evident west of Deadman River Falls where three major zones of carbonatization are hosted in Nicola volcanics (Zones A, B and C) and exposed along cliff outcrops (see Figure 3).

## 5.0 DIAMOND DRILLING

### 5.1 Drill Program

Boreholes are located on Figure 3, logs are in Appendix A, analytical results are in Appendix B and basic physical data is presented in Table I. The core is stored in a meadow depression on the GNOME claim about 1800 m north of the northwest corner of the EPI 2 claim.

TABLE I  
SUMMARY OF DIAMOND DRILLING  
EPI 1-4 AND K.G.D. CLAIMS

<u>BOREHOLE NUMBER</u>	<u>COLLAR LOCATION</u>	<u>ELEVATION (m)</u>	<u>AZI- MUTH</u>	<u>INCLIN- ATION</u>	<u>DEPTH (m)</u>	<u>CLAIM</u>
72486	2340S/670E	1068	343°	-50°	41	EPI 2
72487	2340S/669E	1068	343°	-50°	610.73	EPI 2
72488	2340S/669E	1068	280°	-50°	425.20	EPI 2
Total					1076.93	

### 5.2 Drilling Results

Borehole 72486 is in the southern part of the claim group on the south side of Deadman Creek. It was designed to test zones of alteration in the Nicola mafic volcanics that are exposed along Deadman Creek and that lie within a large zone of anomalous arsenic-enriched soil. Structural controls of the alteration vary from schistosity to fractures to faults and consequently the borehole is directed into the general area of the showings to intersect features that have a westerly direction. The hole was abandoned at depth because of drilling problems encountered within the relatively unconsolidated Miocene volcanic conglomerate and sandstone.

Borehole (72487) was collared 1 m west of Borehole 72486 and was designed to replace it. The top 104 m was HQ core drilled and the remainder of the hole was NQ core drilled using the HQ rods as a casing. Borehole 72487 cut through a 70 m true thickness of Miocene basalt and conglomerate and tested a sequence of Triassic Nicola mafic volcanic rocks. The latter are cut by two major fault zones: one zone trends 115 degrees and hosts a zone of carbonatization ( zone C in earlier reports ) and the other is a northerly trending ( 013 degrees ) zone. Both zones were intersected by the borehole but no mineralization is associated with either. The northerly trending zone is represented by two splays from 216 m to 235 m ( steeply east dipping ) and from 277 to 289 ( vertical ). Fault breccia with intense clay and calcite alteration characterize this zone. Zone C is slightly different and is represented by clay, calcite and pyrite alteration from 457 m to 510 m. Oxidation of the pyrite is probably responsible for the gossan coincident with Zone C at surface. Below Zone C fault zone, two narrow zones of faulting are intense enough to have formed chlorite, calcite, epidote, pyrite, sericite schist.

Several chalcedonic quartz veins and vein breccias up to 6 cm thick occur in the first 100 m of Nicola on the east side of the northerly trending zone at 120 m, 128 m, 158 m, 160 m, and 173 m. They are similar in appearance to chalcedonic quartz vein breccia that outcrops in Nicola volcanics immediately below the cliff edge of Miocene basalt. Other quartz vein mineralization includes a vein on the west side of the northerly trending fault zone at 300 m depth that consists of silicified and carbonatized lapilli tuff host rock cut by white quartz calcite veins. The host rock/vein relationship is similar to a pod of quartz and calcite outcropping on the north side of Deadman Creek atop the carbonatized zone "A".

No significant mineralization was encountered; the highest gold value is 0.1 ppm Au over 2.91 m of Nicola feldspar porphyritic basalt cut by 5% quartz - calcite veining and a calcite - matrix fault breccia (Sample FX 483057).

Borehole (72488) was designed to test below a sequence of Nicola volcanic rocks that are locally brecciated, pervasively clay altered and limonitic. The borehole undercuts an area where channel sampling by M. Dickens ( Dickens, 1987 ) returned 127 ppm As and 125 ppb Au over 10 m. Below the Miocene basalt and conglomerate, 344 m of Nicola volcanic rocks were encountered.

The Nicola is here cut by two fault zones and one fault. The northerly trending fault zone was intersected immediately below the Miocene from 84 m to 116 m. It is intensely oxidized fault breccia with pervasive clay alteration accompanied locally by minor chalcedonic quartz veining and silicification. At 270 m downhole, a narrow 1.5 m fault probably correlates at surface with a narrow hillside gully trending 270 degrees. At the bottom of the borehole, three zones of faulting from 392 m to 425 m probably correlate with a major fault along the creek trending 040 degrees. The latter trend is parallel to shear fractures well delineated on the GNOME claim to the north. The fault zone along the creek consists of fault breccia with clay - chlorite alteration and minor lensey concordant quartz carbonate veining.

Vein mineralization occurs at three sites along the borehole: at 185 m, 283 m and in a zone from 350 m to 371 m. The uppermost site consists of two white quartz - pyrite - calcite veins 25 and 30 cm thick. Footwall to the veins is carbonatized and below that, schistose and possibly a fault zone. A quartz carbonate pyrite vein breccia cuts carbonatized mafic lapilli tuff at 283 m. The lowermost zone consists of five quartz - calcite veins and vein breccias that are locally multistage, vuggy, banded and associated with minor faulting. Vein inclinations are probably near vertical and parallel to the fault zone along the creek.

No significant gold values are associated with the vein mineralization, all were less than 40 ppb Au. The highest gold value from this borehole is 338 ppb Au over 2.8 m of chlorite - clay altered Nicola lapilli tuff (Sample FX 483290) from the fault zone along the creek.

## 6.0 CONCLUSIONS

The diamond drilling program on the EPI #2 claim cut a thick sequence of variably altered volcanic rocks of the Triassic Nicola Group. No significant gold mineralization was encountered.

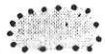
## 7.0 REFERENCES

- Campbell, R.B., Tipper, H.W., 1971. Geology of the Bonaparte Lake Map-Area, B.C., G.S.C. Memoir 363.
- Cockfield, W.E., 1935. Lode Gold Deposits in the Fairview Camp, Camp McKinney and Vidette Lake Area, and the Divident-Lakeview Property near Osoyoos, B.C., G.S.C. Memoir 179.
- Dickens, M., 1987. Prospecting report for the EPI 2, 3, 4 mineral claims, Clinton Mining Division, B.C.; B.C.M.E.M.P.R. Assessment Report #16286.
- Gruenwald, W., 1980. Geochemical report on the VIDETTE #1 claim, Lots 474, 4748, 4751, 4764, 4766, Clinton Mining Division, B.C.; Unpublished report for Kerr, Dawson & Associates Ltd., B.C.M.E.M.P.R. assessment report #8955.
- Morin, J.A., 1988. Geological and geochemical report on the EPI claim group, Clinton Mining Division, B.C.; Unpublished report for Canadian Nickel Company Limited, B.C.M.E.M.P.R. assessment report.
- Morin, J.A., 1989. Geological, geochemical and drilling report on the GNOME claim, Clinton Mining Division; Unpublished report for Canadian Nickel Company Limited, B.C.M.E.M.P.R. assessment report.

**DEPRESSION TRENCHES**

Vein exposed near stockwork in argillite contains 0.044 oz/ton Au over one metre. Grab sample assayed 0.4 oz/ton Au.

**LEGEND**



Chargeability Anomaly



Resistivity Anomaly



VLF-indicated continuation of argillite unit.



Gold occurrence

BEAVER  
LAKE

**BEAVER LAKE ZONE**

Quartz stockwork in Nicola argillite (dipping east) exposed for 75 x 250 metres. Samples over 2 metres contain 0.017 oz/ton Au

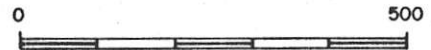
DEADMAN  
RIVER

RIVER

A x x  
ROAD



METRES



**BRIDGE SHOWING**

Quartz-sulphide veining and disseminated pyrite in altered intrusive rocks. Samples contain up to 0.28 oz/ton Au over 0.5 m.

INTER-PACIFIC RESOURCE CORP.

PRECISELY PROPERTY

GEOPHYSICAL TARGETS

JULY, 1985

# INTER-PACIFIC RESOURCE CORP.

Suite 201 - 311 Water Street  
Vancouver, B.C. V6B 1B8  
(604) 669-2251

Trading Symbol: IPF

NEWS RELEASE

August 14, 1985

## 1. INITIAL DRILLING COMPLETED - PRECISELY PROPERTY

The preliminary drilling program on the Company's PRECISELY property 40 km north of Savona was completed August 11, 1985. The program was designed to provide information on which to base further drilling.

Four diamond drill holes (600 feet total) and 14 reverse circulation percussion holes (2,040 feet total) were drilled over a period of 11 days.

As outlined in a news release dated July 26, 1985, the objective was to identify the nature and significance of geophysical anomalies and to test the continuity of gold mineralization exposed at surface.

At the Bridge showing three holes intersected altered and veined intrusive material similar in appearance to the gold-bearing rock sampled at surface. In one hole, the apparent width of altered rock was a very encouraging 90 feet.

At the Beaver Lake zone intense silicification, apparently conformable but cut off by a fault, was intersected in two holes and in one trench.

At the Depression trenches, intense silicification was intersected for 60 feet in one hole and for lesser intervals in others.

Eighteen holes were drilled. Nine (all on the margins of the main geophysical anomalies) intersected silicification or alteration of types commonly encountered in disseminated gold deposits.

Samples have been sent for analysis. Results will be announced only when all assays are complete and their geological significance interpreted. Further drilling is expected for September.

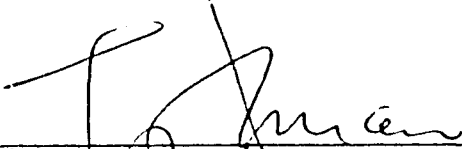
.../over

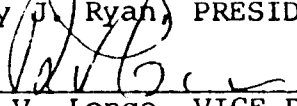
**2. PRIVATE PLACEMENT FLOW-THROUGH SHARES**

The Company has, subject to regulatory approval, sold 180,000 shares by way of a private placement with six investors at a price of \$0.80 per share for a total of \$144,000.00. Additional private placements of flow through shares are contemplated to fund exploration projects on properties in which the Company is currently negotiating interests.

**3. EMPLOYEE STOCK OPTIONS**

Options to purchase 80,000 common shares of the Company have, subject to regulatory and shareholder approval, been granted to employees of the Company. The options are exercisable at \$.50 per share before August 13, 1990.

  
\_\_\_\_\_  
Timothy J. Ryan, PRESIDENT & DIRECTOR

  
\_\_\_\_\_  
Robert V. Longe, VICE-PRESIDENT & DIRECTOR

This progress report has been prepared by the Company's officers, who have accepted responsibility for its content. The Vancouver Stock Exchange has neither approved nor disapproved of this report. Further information can be obtained from either of the above at 669-2251.



# INTER-PACIFIC RESOURCE CORP.

Suite 201 - 311 Water Street  
Vancouver, B.C. V6B 1B8  
(604) 669-2251

Trading Symbol: IPF

NEWS RELEASE

September 30, 1985

The second phase of drilling on the Company's PRECISELY property, 40km north of Savona, B.C. was completed on September 27th with encouraging results. Drilling was in the Bridge Zone and consisted of six short percussion holes directed at the gold-bearing zones detected by the first phase.

Hole number 85-20 intersected 20 feet of 0.13 oz gold/ton and hole number 85-21 intersected 50 feet of 0.015 oz gold/ton.

In addition, analysis of two-foot (instead of 10-foot) intervals of some samples from the first phase of drilling has led to the following re-calculated values:

85-04: 10 feet of 0.16 oz gold/ton (reported Sept 3 and Sept 24 as 0.13 oz gold/ton)


85-07: 10 feet of 0.105 oz gold/ton (not previously reported)

The 10 foot intersection in 85-04 includes a two foot interval assaying 0.72 oz gold and 4.2 oz silver per ton. This higher value raises the possibility of a smaller tonnage of higher grade in addition to the large tonnage of low grade ore pursued to date.

Location of holes in the Bridge Zone are shown on the map overleaf. Those with at least 0.1 oz gold over 10 feet lie in the vicinity of the surface showing with 0.28 oz/ton over 0.5 metres described in the engineering report dated August, 1984.

Drilling to date has been confined to a small part of a north-south trending geophysical feature which appears to represent a pervasively mineralized gold-bearing system. The remainder of the feature, especially the east side where the intersections appear to be concentrated, will now justify further drilling to be undertaken as soon as possible.

  
\_\_\_\_\_  
Timothy J. Ryan, PRESIDENT & DIRECTOR

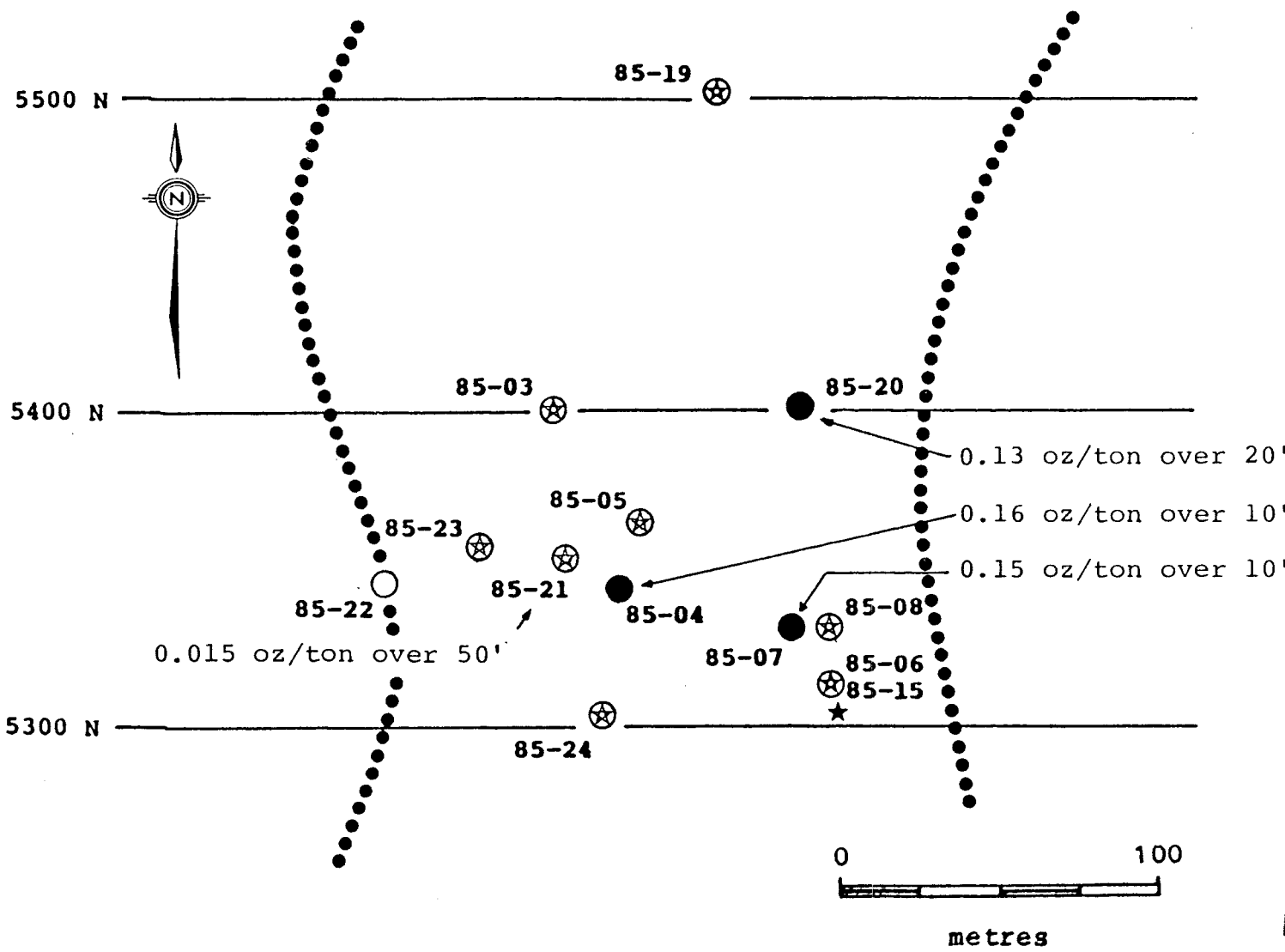
  
\_\_\_\_\_  
Robert V. Longe, VICE-PRESIDENT & DIRECTOR

This progress report has been prepared by the Company's officers, who have accepted responsibility for its content. The Vancouver Stock Exchange has neither approved nor disapproved of this report. Further information can be obtained from either of the above at 669-2251.

Ref: NR0685

# INTER-PACIFIC RESOURCE CORP.

## PRECISELY PROPERTY Bridge Zone Drill Results Sept. 1985



### L E G E N D

- Hole intersected at least 0.1 oz Au/ton over 10 feet
- ⊛ Hole intersected geochemically anomalous gold values
- Hole without gold values

- Approximate limits of main geophysical feature.
- ★ outcrop with 0.28 oz/ton over 0.5m described in Engineer's report dated August, 1984