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May 2/85

One day was spent in Jack O'Neil's office studying the data on the Fraser Gold property, ^{located along} Mackay Creek in the Horsethly area of B.C. The purpose of the study is to examine the results of Amoco Canada's work to determine whether further work is justified in exploring for a gold deposit.

PROPERTY & OWNERSHIP

The property is comprised of 24? claims totalling 188? units and 8 ten-foot claims. Included within these claims are 10 claims & fractions ^{held by Amoco by staking} totalling 81 units of slope claims and by staking of fractions created in original staking. Also included in the totals is one claim (20 units May 12) acquired by Amoco prior to option. According to John Ken, Amoco is in the process of transferring all the claims to Eureka Resources, plus 3 claims (37 units) ^{May 2, 1984} and 8 ten-foot claims ^{May 1 - 5, 1984} which Cliff Gurn the original discoverer had staked.

Amoco has fully satisfied the work commitment of their option agreement of Eureka but each ^{to Cliff Gurn} party supports the amounts 25,000 due Dec 31/85, 25,000 due Dec 31/86 and 75,000 due on Dec 31/87 have to be met to gain any equity on the property. On May 17, 1985 Jack O'Neil advised Ken that Amoco has agreed to drop the net profit royalty, ^{negotiated this spring} transfer all the claims to Eureka including the one staked by Amoco prior to the option agreement. Eureka would own 100% of the property once the cash payment to C. Gurn has been paid. Cliff Gurn's equity on the property would be shared in Eureka's.

Geology & Mineralization

The property is situated along the north limb of a major NW-trending syncline and covers a thick section of upper Proterozoic grey to black lustrous phyllite. Overlying the black phyllite is a transition zone consisting of B.P. gneiss and gtl-ser-chl schist and this zone is overlain by Torrance granite. ^{subordinate to basalite} basaltic chert. Volcanic the B.P. is ^{subordinate to basalite} mafic. ^{or more} The black phyllite measures 550' in thickness and has been subdivided by Amoco into BHP, BHP & BHP, and

further subdivided based on pronounced mineralogical differences.
Figure an attached sketch 'A' depicts the geological
X-section.

Gold mineralization occurs within the lower horizon
of a ^{200-350 cm thick} sequence called Black-knotted Phyllite which is found about
mid-section of the phyllite unit. The B.K.P. contains
10-30% Dimorphic, carbonate knots about 4-7 mm in size.
This B.K.P. sequence generally contains 1-15% siliceous
sediments in bands 1 cm - 50 cm thick. ^{4/10/50} B. Hematite 2-20%
of the K. Ph. rock, contains 2-10% arsenate, 1-10% porphy,
and another sub II to foliation

Date needed from John Ken =

① Letter size or dble letter size part of grid on property - especially on Mining d. & h. - prob. reduced size of one of the level floors.

② Property payments to Chh. bank

\$ 25,000	2034, 85
25,000	86
75,000	87
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125,000 total	

③ Property

No of claims	4 P. + 52 (claim re-staked)
No of units	163 units ✓

John
at a fast pace

Subject: EUREKA Resources' Fraser Gold Property

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May 6/85

in Jack O'Neill's office
on the ~~fraser~~

One day was spent studying Amoco Canada's 1983 and 1984 year reports
reports & data on the Invergold Property, ^{presented in} ~~the~~ ^{examination of the} ~~the~~
possibility of finding a viable economic gold deposit by further
work on the property.