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REPORT

- on the -

JEWEL GOLD-SILVER PROPERTY
GREENWOOD MINING DIVISION
BRITISH COLUMBIA

- for -

DENTONIA RESOURCES LTD.
SUITE 404, 850 WEST HASTINGS STREET,
VANCOUVER, B.C. V6C 1E1

prepared by:

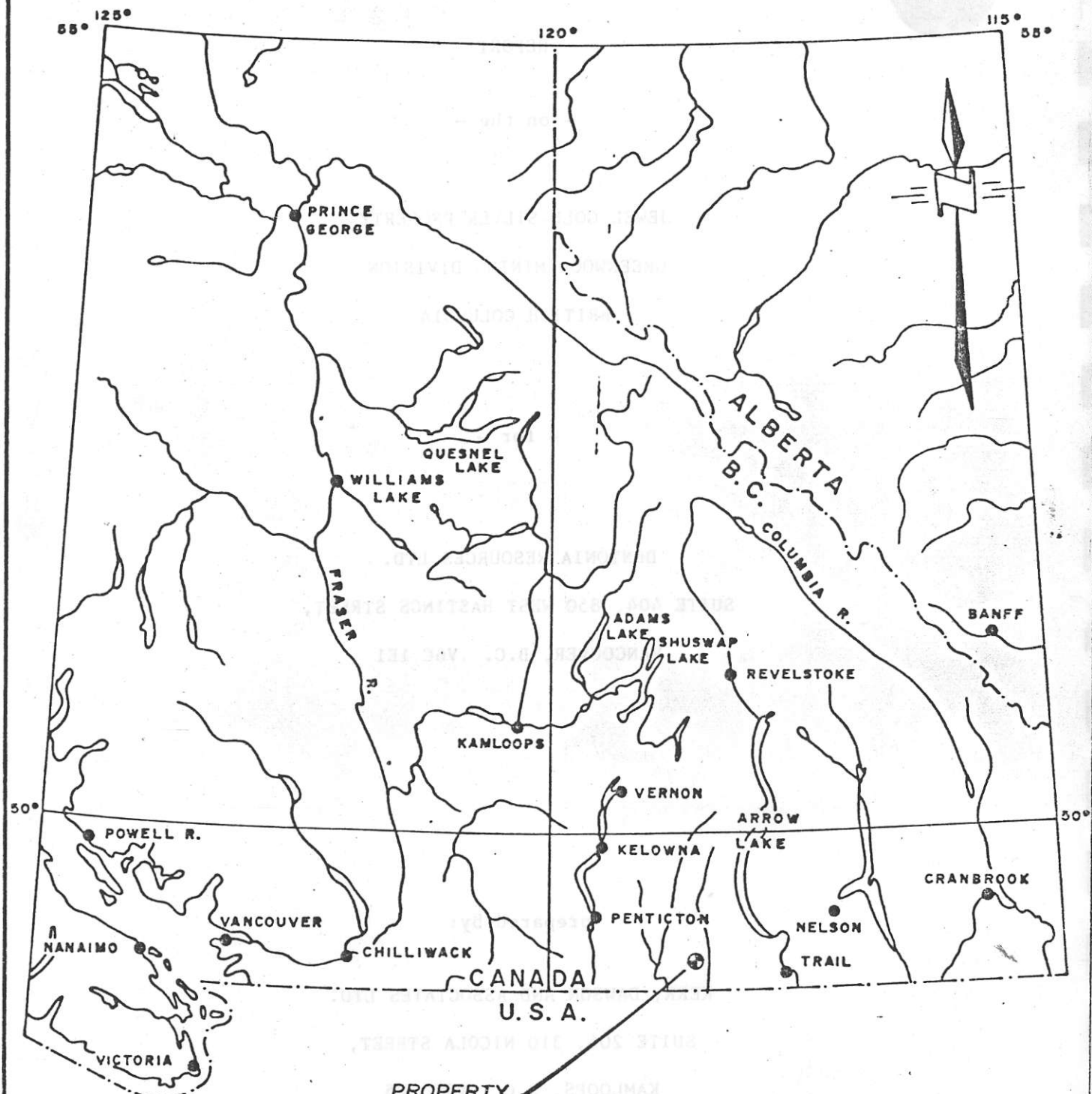
KERR, DAWSON AND ASSOCIATES LTD.
SUITE 206, 310 NICOLA STREET,
KAMLOOPS, B.C. V2C 2P5

James M. Dawson, P. Eng.

June 27, 1983.

DENTONIA RESOURCES LTD.
LOCATION MAP
JEWEL GOLD SILVER
PROPERTY
GREENWOOD MINING DIVISION, B.C.
Date: June, 1983
Scale: 1" = 50 Miles
Drawn by: W.C.

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PROPERTY LOCATION

DENTONIA RESOURCES LTD.	
LOCATION MAP JEWEL GOLD SILVER PROPERTY	
GREENWOOD MINING DIVISION, B. C.	
Date: June, 1983.	Scale: 1" = 64 Miles
Dwn by: W.G.	Dwg no. 300-1

INTRODUCTION:

This report has been requested by Mr. H.H. Shear, president of Dentonia Resources Ltd. It reviews the long history of exploration and development of the Dentonia Vein, discusses the geology, mineralization and economic potential of the property and recommends a programme of underground development to prove up enough reserves so that a production decision can be made.

A series of maps showing location, property and disposition of surface and underground workings are included in the text of this report.

SUMMARY AND CONCLUSIONS:

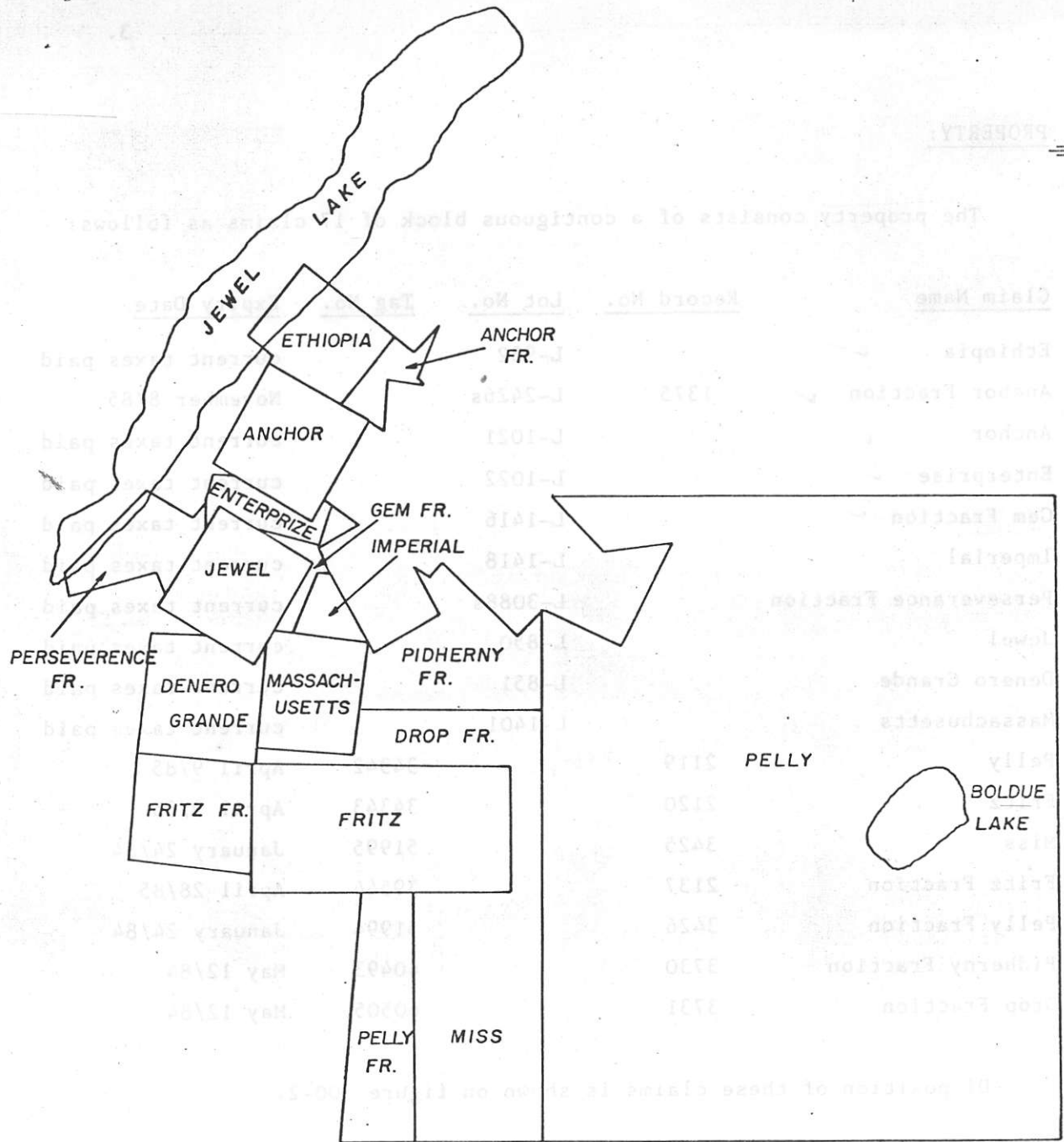
(1). The Jewel property consists of 17 contiguous crown granted and located claims located in moderate terrain in the Boundary District of southern British Columbia. Access is by paved and well maintained gravel road from Greenwood approximately 9 km. to the southwest.

(2). The Jewel Lake Camp was discovered in 1895 and several periods of extensive exploration, development and production have been interspersed with periods of relative inactivity. From 1900 to 1940 a total of 128,383 tons of ore grading 0.30 oz Au and 1.7 oz Ag per ton were mined from the Dentonia Vein, principally from three separate zones known as the Enterprise, Jewel and Anchor. The latest phase of activity began in 1973 and has continued intermittently to the present day. This programme has consisted of extensive sampling of the old workings, surface and underground diamond drilling and the sinking of a new shaft south of all of the pre-existing development.

(3). The property is underlain by metasediments and metavolcanics of the Permian (?) Knob Hill Group intruded by a large granodiorite body. A prominent northerly-trending fault which cuts all these rock types contains the Dentonia Vein. At least two generations of dikes cut the older rocks as well as the vein.

(4). The Dentonia Vein has been traced for about 6,000 feet and could be as much as 10,000 feet long. It strikes north-northeasterly and dips on average 43° to the southeast. It varies in width from a few inches to as much as 20 feet. The vein changes in strike over as much as 40° , frequently rolls to flatter or steeper dips as well as pinching/swelling in some places. It consists of milky quartz with scattered lenses and streaks of metallic minerals. These minerals consist of pyrite, galena, chalcopyrite, sphalerite, gold and silver tellurides and native gold. They generally make up less than 5% of the vein material.

(5). This property has produced intermittently but poor management and lack of ore reserves have hindered its development. The present work has greatly expanded the ore potential of the property by drilling and underground development and has demonstrated much better grades at depths greater than ever explored before. There is now an excellent chance of developing sufficient tonnage to warrant a small mill of 100 to 150 tons per day capacity and further underground development to prove up these reserves is certainly warranted.



DENTONIA RESOURCES LTD.

CLAIM MAP

JEWEL GOLD-SILVER PROPERT

GREENWOOD MINING DIVISION, B. C.

Tech. Work By:
Kerr, Dawson & Assoc. Ltd.

Scale: 1:25,000

Drawn By: W. G.

Date: June, 1983.

App'd By: J. M. Dawson, P.Eng

Fig. No. 300-2

PROPERTY:

The property consists of a contiguous block of 17 claims as follows:

<u>Claim Name</u>	<u>Record No.</u>	<u>Lot No.</u>	<u>Tag No.</u>	<u>Expiry Date</u>
Ethiopia ✓		L-932		current taxes paid
Anchor Fraction ✓	1375	L-2426s		November 8/85
Anchor ✓		L-1021		current taxes paid
Enterprise ✓		L-1022		current taxes paid
Gem Fraction ✓		L-1416		current taxes paid
Imperial		L-1418		current taxes paid
Perseverance Fraction		L-3088s		current taxes paid
Jewel		L-850		current taxes paid
Denero Grande		L-851		current taxes paid
Massachusetts		L-1401		current taxes paid
Pelly	2119		34342	April 9/85
Fritz	2120		34343	April 9/85
Miss	3425		51995	January 24/84
Fritz Fraction	2137		39544	April 28/85
Pelly Fraction	3426		51994	January 24/84
Pidherny Fraction	3730		60493	May 12/84
Drop Fraction	3731		60505	May 12/84

Disposition of these claims is shown on figure 300-2.

DENTONIA RESOURCES LTD.
CLAIM MAP

JEWEL GOLD-SILVER PROPERTY

GREENWOOD MINING DIVISION, B.C.

Scale: 1:50,000	Map Work by: J.M. Downey, 1982
Date: June 1982	Drawn by: N.G.
App'd by: J.M. Downey, 1982	File No. 300-2

LOCATION AND ACCESS:

The Jewel property is located in southern British Columbia about 9 km. northeast of the town of Greenwood and approximately 18 km. north of the international boundary. The geographic center of the property is at $49^{\circ} 10'$ north and $118^{\circ} 36'$ west.

The property is reached by taking the Jewel Lake access road which leaves Provincial Highway 3 about 2 km. north of Greenwood. The access road which is partly paved and partly well maintained gravel leads northerly for about 10 km. to the center of the claims.

PHYSIOGRAPHY AND VEGETATION:

The claims occupy portions of the western and southern slopes of Mount Pelly. The main group of crown granted claims lies on a moderate to steep slope along the east side of Jewel Lake. The main area of located claims occupies a gently south sloping area which is heavily overburden covered. Total relief on the property is in the order of 1,500 feet varying from around 3,000 feet a.s.l. near the southeast corner of the claim block to more than 4,500 feet a.s.l. east of the Jewel, Anchor and Ethiopia crown grants.

The boundary district is generally heavily wooded with mature spruce, fir and pine. Vegetation is generally thicker on north and east facing slopes.

HISTORY:

The Jewel Lake Camp was discovered in 1895 and most of the early work was concentrated on the Jewel claim. In 1898, this claim and others were incorporated into Jewel Gold Mines Ltd. and 2,000 tons of ore were shipped to the Granby smelter at Grand Forks.

In 1909, Jewel-Denero Mines Company began erection of a stamp mill. It was finally completed in 1913 and 3,855 tons of ore were milled in that year. In 1914, 16,526 tons were milled, followed by 6,724 tons in 1915 when all operations ceased. All this early production came from the Jewel shaft (see figure 300-4).

The property was dormant until 1926 when leasers worked the ground and made some small shipments for several years.

In 1931, Dentonia Mines Ltd. was formed and began exploratory underground development in 1933. Drifting connected the old Rowe, White and Enterprise shafts and new areas of better grade ore were developed. In 1934, the long 500 level cross-cut tunnel was driven and milling began at 90 tons per day in a new concentrator. The Jewel shaft was dewatered and considerable development was done in the Enterprise section of the mine. Milling proceeded at about 100 tons per day during 1935 but in 1936 only 11,612 tons were treated. Additional ore reserves were not found and operations ceased at the end of 1936. A cyanide plant was installed to treat the tailings, however poor recoveries forced its closure in 1938.

From 1938 to 1943 various leasers worked different parts of the mine and shipped a few thousand tons of siliceous ore to the Trail smelter.

Dentonia Resources Ltd. optioned the property in 1978. In 1980, the Denero Grande shaft was pumped out and a programme of underground drilling conducted from the 250 foot level. Approximately 2,000 feet of drilling was done in 10 holes. In addition, 4 surface holes totalling approximately 2,000 feet were drilled south of the Denero Grande shaft. Mineralized portions of the vein were intersected in both programmes.

In 1981, the Jewel workings were pumped out and sampled since good values had been reported earlier on the lowermost level. Many of the drifts were sampled and two areas of potential interest were outlined. The Denero Grande shaft was deepened to 520 feet. Some trenching was conducted near the south end of the property in an attempt to uncover the vein. Overburden is as thick as 80 feet here and bedrock was not reached.

In late 1982, drifting began on the 400 and 475 foot levels in the Denero Grande shaft. To date approximately 1,500 feet of development consisting of drifts, sub-levels and raises has been completed. This work has delineated at least two important new ore shoots.

GEOLOGY AND MINERALIZATION:

The property is underlain by metasediments and metavolcanics of the Permian (?) Knob Hill Group, intruded by a large granodiorite body. A prominent northerly-trending fault which cuts all these rock types contains the Dentonia vein. At least two generations of dikes cut the older rocks as well as the vein.

In 1945, the Dentonia Company began a programme of exploration which was concentrated on the Enterprise and Anchor claims. Over the next three years more than 8,500 feet of diamond drilling and about 2,100 feet of development drifting was completed. The mill was revamped and about 1,700 tons were mined from the Anchor claim. In the spring of 1948 all activity stopped and the company went into bankruptcy.

The claims were bought by W.E. MacArthur in 1957 but no work was done until 1970 when two diamond drill holes were bored south of the Jewel workings.

In 1973, the property was optioned by Colt Resources Ltd. This company drilled 11 core holes totalling about 3,000 feet south of the Jewel workings. The vein was intersected and visible gold and tellurides were noted in a number of places. The Jewel workings were pumped out and rehabilitated and after some sampling here it was decided to sink the Denoro Grande shaft. The shaft was sunk to 290 feet and drifting proceeded along the 250 foot level.

During 1974 and 1975 about 3,000 feet of drifting and raising was completed. About 10,000 tons of low grade ore (~ 0.1 oz Au/ton) was stockpiled on the surface and 2,227 tons of high silica ore grading 0.307 oz Au and 1.92 oz. Ag per ton was shipped directly to the Trail smelter.

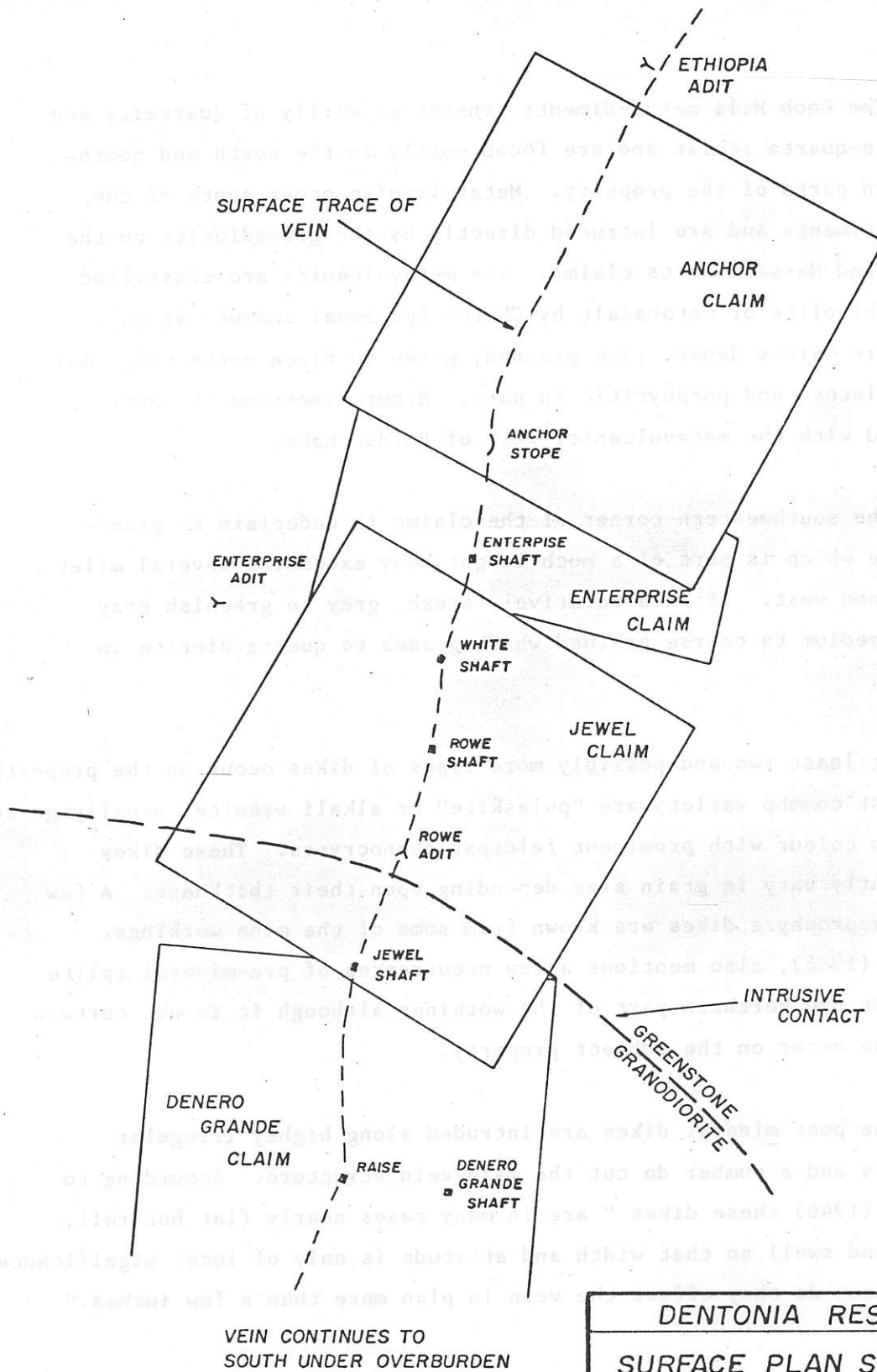
In mid 1975, because of poor markets, problems with acceptable ore for the smelter and difficulty in raising capital, the property became dormant and Colt Resources Ltd. dropped the option in 1978.

The Knob Hill metasediments consist primarily of quartzite and biotite-quartz schist and are found mostly in the north and north-eastern parts of the property. Metavolcanics occur south of the metasediments and are intruded directly by the granodiorite on the Jewel and Massachusetts claims. The metavolcanics are classified as amphibolite or metabasalt by Church (personal communication). They are mainly dense, fine grained, green to black rocks which may be schistose and porphyritic in part. Minor limestone is intercalated with the metavolcanics west of Bolduc Lake.

The southwestern corner of the claims is underlain by granodiorite which is part of a much larger body extending several miles south and west. It is a relatively fresh, grey to greenish gray rock, medium to coarse grained which grades to quartz diorite in places.

At least two and possibly more types of dikes occur on the property. The most common variety are "pulaskite" or alkali syenite, usually green grey in colour with prominent feldspar phenocrysts. These dikes frequently vary in grain size depending upon their thickness. A few dark lamprophyre dikes are known from some of the mine workings. Hedley (1946), also mentions a few occurrences of pre-mineral aplite dikes in the northern part of the workings although it is not certain if these occur on the subject property.

The post mineral dikes are intruded along highly irregular fissures and a number do cut the main vein structure. According to Hedley (1946) these dikes " are in many cases nearly flat but roll, pinch and swell so that width and attitude is only of local significance; in no case do they offset the vein in plan more than a few inches."



VEIN CONTINUES TO SOUTH UNDER OVERBURDEN

DENTONIA RESOURCES LTD.	
SURFACE PLAN SHOWING TRACE OF VEIN & MAIN WORKINGS	
JEWEL GOLD-SILVER PROPERTY	
GREENWOOD MINING DIVISION, B. C.	
Tech. Work By: Kerr, Dawson & Assoc. Ltd.	Scale: 1" = 600'
Drawn By: W.G.	Date: June, 1983.
App'd By: J.M. Dawson, P.Eng.	Fig. No. 300-3

ECONOMIC POTENTIAL:

A total 128,383 tons of ore was mined from the Dentonia vein between 1900 and 1940. This production contained 37,992 oz Au and 219,429 oz Ag for an average of 0.30 oz Au and 1.7 oz Ag per ton. This production came from 4 main ore zones (see figure 300-4) all of which were above 250 feet of vertical depth or about 370 feet along the dip of the vein.

A few thousand tons of similar grade were mined by leasers and the older Dentonia company between 1940 and 1948. A total of 2,227 tons of ore grading 0.307 oz Au and 1.92 oz Ag per ton were shipped to Trail during 1974-5 and about 10,000 tons grading approximately 0.1 oz Au per ton were stockpiled. This latter production came from above the 250 foot level in the Denero Grande workings.

In the northern part of the vein precious metal values seemed to weaken with depth (in the Rowe, Enterprise and Anchor ore bodies). However good values were known in the lowest level of the Jewel workings although they were never explored. Recent sampling by Dentonia encountered two interesting zones in the lower levels of the Jewel mine. On the Jewel 500 level (see figure 300-4) near the shaft, 80 feet of vein material averaged 0.46 oz Au and 3.67 oz Ag per ton over an average width of 0.87 feet. On the Jewel 400 foot level near the end of the south drift, a 40 foot length of vein averaged 0.331 oz Au and 1.64 oz Ag per ton over an average width of 2.4 feet.

In the Denero Grande workings above the 250 foot level several areas of ore grade mineralization have been delineated adjacent to areas previously stoped (see figure 300-5):

The Dentonia vein structure has been traced directly by trenching or drilling for at least 6,000 feet and indications are that it could be at least 10,000 feet long. The average strike is north 19° east with variations from north 10° east to north 50° east. The dip ranges from 30° to 70° to the southeast with an average of about 43° . The vein varies from a single well defined vein with clean walls to several branching veins with "horses" of waste between. Within the structure quartz varies from a few inches to as much as 20 feet in width. The strike of the vein bends as well as pinching and swelling and rolls producing changes in dip are not uncommon. According to Hedley (1946), "quartz occurs in any section of the vein structure but tends to form preferentially in those sections where the strike is more north-easterly than northerly.

Mineralization consists of scattered pockets and lenses of disseminated sulphides as well as grey streaks of fine grained material in a gangue of milky quartz. Metallic minerals include pyrite, galena, chalcopyrite, sphalerite, gold and silver tellurides, and native gold. They generally make up less than 5% of the vein.

Ore shoots are generally thought to plunge near vertically. Controls of placement of ore shoots are not known, however better mineralized sections seem to occur where the vein strikes more northeasterly and where the dip is more gently inclined than normal. The placement of the Jewel orebody may be related to the contact between metavolcanics and the granodiorite.

Recent drilling from the face of the north drift on the 475 foot level has encountered mineralization north of a dike which cuts the vein (see figure 300-5). A 2.0 foot width of vein assayed 0.17 oz Au per ton.

The area from the Denero Grande shaft south to the property boundary is heavily overburden covered. However the vein does outcrop on adjacent property further south and surface drilling by Dentonia and Colt encountered the vein between the shaft and the southern property boundary. In this area there is a potential 2,000 feet of strike length of the vein which is virtually unexplored.

In addition, the area below the 250 foot level from the Denero Grande shaft north to below the Jewel workings has not been explored. There are indications that significant mineralization could occur in this area as well as further north beneath the Rowe and Enterprise zones.

The Jewel property is ideally situated to sustain a small high grade mining operation with all the necessary infrastructure already in place. There is excellent potential for the delineation of sufficient ore reserves (say at least 75,000 to 100,000 tons) to justify a small mill of about 100 tons per day capacity. An extensive programme of underground development to fully explore this potential is certainly justified.

<u>Area</u>	<u>Length</u>	<u>Width</u>	<u>Width</u>	<u>Au oz/ton</u>	<u>Ag oz/ton</u>
		<i>DILUTED TONS</i>	<i>Mining width</i>		<i>UNCUT, DILUTED GRADE</i>
1	80'	2.30'	3.5'	0.778	3.94
2	50'	3.59'	4.6'	0.297	1.51
3	100'	2.87'	3.9'	0.413	1.84
4	70'	2.71'	3.8'	0.326	1.25

The extent of these potential ore shoots has not been delineated and in addition lower grade, potential mill feed material is located adjacent to some of these zones.

By far the most significant event to occur in the long history of this property is the recent deeper development on the 400 and 475 foot levels in the Denoro Grande shaft, where the character of the mineralization seems to change dramatically. At least two and possibly three ore shoots have been partially defined where the sulphide content in the vein is higher and grades have significantly increased (see figure 300-5).

On the 400 foot level west of the shaft, a 130 foot section of the vein averages 0.417 oz Au and 4.47 oz Ag per ton over an average width of 4.1 feet. Within this section is included a 30 foot length of vein which averages 0.773 oz Au and 6.15 oz Ag per ton over an average width of 3.5 feet. This same shoot has been encountered on the 460 foot sub-level where a 48 foot length of vein averages 0.663 oz Au and 5.31 oz Ag per ton over an average width of 4.1 feet.

Near the south end of the current drift advance on the 400 level an ore shoot has been partially delineated. A 36 foot length of vein up to the face averages 0.797 oz Au and 5.0 oz Ag per ton over an average width of 3.5 feet. A sample of the vein at this face ran 0.915 oz Au and 5.95 oz Ag per ton over a width of 4.2 feet. This shoot has also been encountered near the south end of the currently advancing 460 foot sub-level. Here a 12 foot length of vein (still open to the south) averages 0.466 oz Au and 2.75 oz Ag per ton over an average width of 2.0 feet.