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A Report on the Property of
Dusty Mac Mines Limited (N.P.L.)
in the Highland Valley Area,
British Columbia

by

D.R. Morgan, P. Eng.

23 November 1968

D.R. Morgan,
3424 West 6th Avenue,
Vancouver 8, B.C.

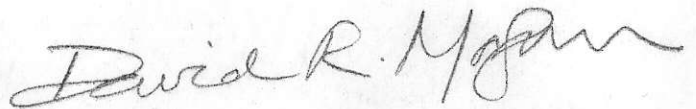
23 November 1968.

The Directors,
Dusty Mac Mines Ltd. (N.P.L.),
510 West Hastings Street,
Vancouver 2, B.C.

Gentlemen:

This letter will be your authorization by me to make use of the report that I have written on the Dusty Mac S.M.E. claims in a prospectus.

Yours truly,



David R. Morgan, P. Eng



SUMMARY AND RECOMMENDATIONS:

Aeromagnetic maps covering the Highland Valley area of British Columbia were recently released by the Geological Survey of Canada. These maps showed magnetic lows at the northern end of the Guichon Batholith where it is capped by Tertiary volcanics.

A block of 96 claims covering two of these magnetic lows in this northern area has been staked by Dusty Mac Mines Ltd.

In the course of staking, outcrops of intrusive were seen in the eastern part of the property. One of these outcrops was seen by the writer.

The writer considers that the magnetic lows in the northwest and southwest parts of the property and the exposures of intrusive in the eastern part justify the following exploration program:

1. Line Cutting: An east-west system of lines should be cut at 400 foot intervals across the entire claim group. With base lines and tie lines included, this would amount to approximately 100 miles of line.
2. Magnetometer Survey: A ground magnetometer survey should be made of the entire claim group with these objectives:
 - (a) Accurately locating the magnetic lows shown on the aeromagnetic map.
 - (b) Locating other possible targets.
3. Geological Mapping: The geology of the property should be mapped in detail.

The line cutting could begin immediately, and could be followed by the magnetometer survey this winter. The geological mapping could be carried out next spring and summer.

An estimate of the costs of this program appears overleaf.

Cost Estimate

Mobilization	\$ 5,000
Line cutting (100 miles @ \$100/mile)	10,000
Magnetometer survey (100 miles at \$150/mile)	15,000
Geological mapping (\$100/mile)	10,000
Supervision and contingency	<u>5,000</u>
Total:	\$ 45,000.

INTRODUCTION

Scope and Date of Examination:

The writer was contacted by the board of Dusty Mac on Wednesday 13 November 1968 and asked by them to examine the Company's property north of Forge Mountain in the Highland Valley area, B.C.

The purposes of this examination were:

1. To check the locations of some of the claims that have been staked.
2. To confirm the presence of outcrops of intrusive reported by one of the stakers.
3. To use this and other data in making recommendations for an exploration program.

The writer visited the property on Friday 15 November in the company of John Ryan, one of the stakers.

Title:

The writer understands that 96 claims have been staked by Dusty Mac Ltd in a contiguous group (see map). The sequence of these claims is as follows:

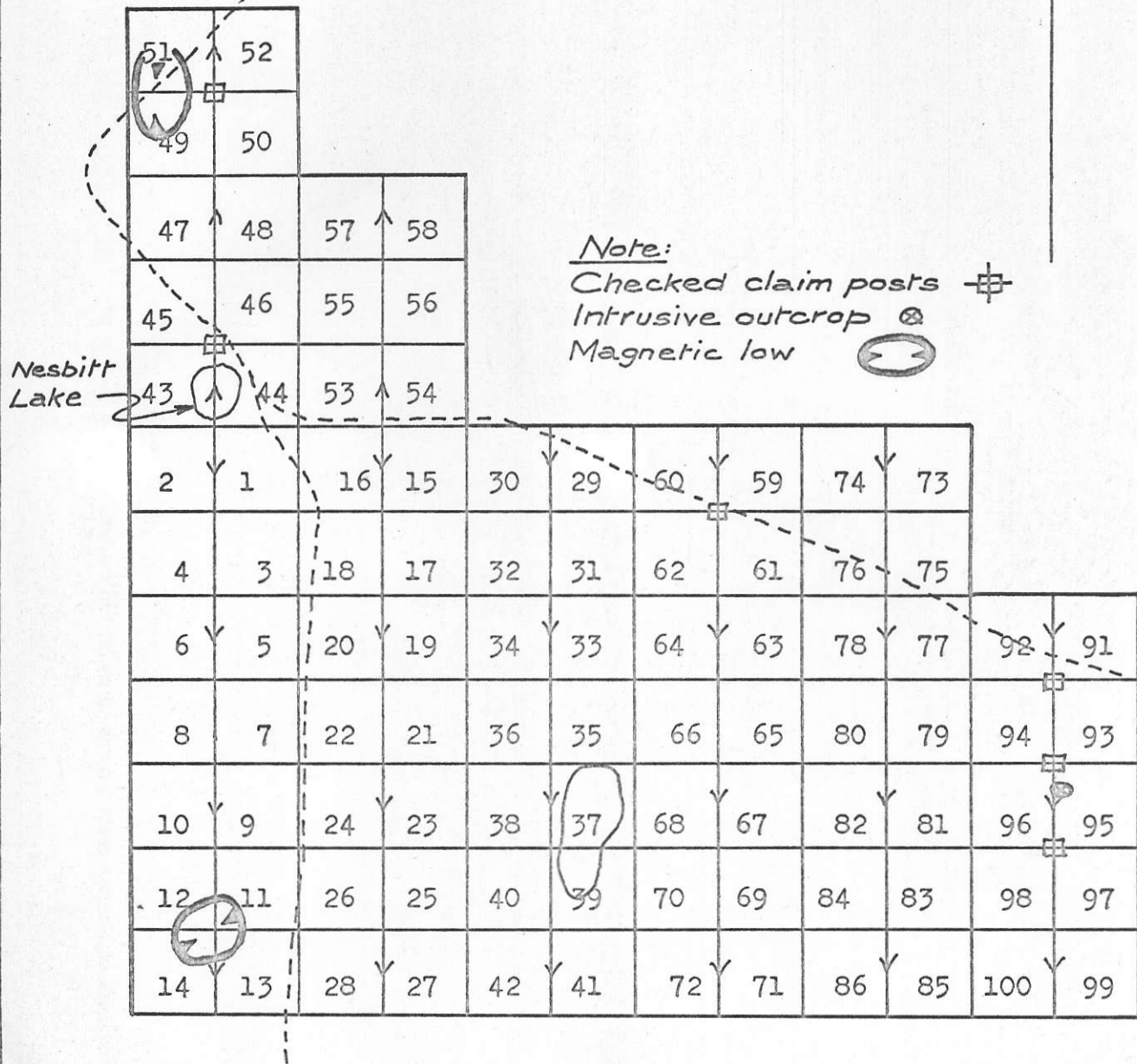
S.M.E. 1 - 86 (86 claims)
S.M.E. 91 - 100 (10 claims)

The writer personally examined the posts and tags of the claims listed below. The information given was taken from the tags. The elevations of the posts were taken by the writer with a Bendix aircraft altimeter:

<u>Initial Post</u>	<u>Final Post</u>	<u>Tag #</u>	<u>Staker</u>	<u>Date</u>	<u>Elevation</u>
SME 51,52	SME 49,50	960849-50	J. Ryan	13 Oct '68	3100
		960851-52	J. Ryan	13 Oct '68	"
SME 45,46	SME 43,44	960843-44	J. Ryan	13 Oct '68	3450
		960845-46	J. Ryan	13 Oct '68	"
SME 61,62	SME 59,60	960859-60	J. Ryan	16 Oct '68	3400
		960861-62	J. Ryan	16 Oct '68	"
SME 93,94	SME 91,92	807865-90	S. Young	17 Oct '68	3330
		960397-98	S. Young	17 Oct '68	"
SME 95,96	SME 93,94	960397-98	S. Young	17 Oct '68	3340
		807889-97	S. Young	17 Oct '68	"
SME 97,98	SME 95,96	807889-97	S. Young	17 Oct '68	3600
		807896-98	S. Young	17 Oct '68	"

The staking seen had been done competently. The location lines had been cut from identifiable tie points, maintained their bearings and were well cut and easy to follow.

Ashcroft ← Walhachin ↗



Note:
 Checked claim posts ☒
 Intrusive outcrop ⊗
 Magnetic low ⊖

Dusty Mac Mines Limited. (N.P.L.)
S.M.E. Claim Group
Highland Valley, B.C.
Scale: One inch to half a mile
Date: 23 November 1968
By: D.R. Morgan, P. Eng.



Location:

The Dusty Mac property lies approximately 8 miles east of Ashcroft, B.C.

The property has a latitude of $50^{\circ}42\frac{1}{2}'$ North and a Longitude of $121^{\circ}05'$ West. It lies in National Topographic Reference area 92 I/11(e) and is in the Kamloops Mining Division.

The property is easily accessible by road from either Ashcroft Walhachin or the Highland Valley road.

Work Performed:

The regional geology of the area in which the property lies has been mapped by the Geological Survey of Canada at a scale of one inch to four miles. This geological map (No. 1010 A) accompanies Memoir 262, "Ashcroft Map - Area, British Columbia," by S. Duffell and K.C. Mc Taggart.

An airborne magnetic survey covering this area was recently completed by the Geological Survey of Canada. The results of this survey appear on G.S.C. map 5218G, titled "Ashcroft."

No other geological exploration work has been done on the property.

GEOLOGY:Regional Setting:

The Guichon Batholith of Lower Jurassic age lies on the eastern flank of the Coast Range Mountains in southern British Columbia, roughly between Merritt and Ashcroft.

This batholith intruded the older Nicola group volcanics and sediments of upper Triassic age which appear now along its eastern contact and also as remnants along its contacts to the northwest and to the south.

The series of granitic to dioritic intrusions that make up the Guichon batholith have given rise to several major orebodies. At its southern contact with Nicola group rocks there is a replacement type orebody (Craigmont), while in the central part of the batholith three major porphyry type copper-molybdenum orebodies have been found (Bethlehem, Lornex and Valley Copper).

The entire area was covered by volcanic flows in the Tertiary period. Erosion has removed this volcanic 'capping' from much of the batholith, but in the northern and northeastern part large areas of the capping remain.

It is in the northern area that the property of Dusty Mac Mines lies.

Much of the property is underlain by Tertiary volcanics, however erosion has cut through these volcanics in at least one place to expose the underlying Guichon intrusive. The writer saw outcrops of this intrusive in S.M.E. # 95 claim 470 feet south of the Initial Post of S.M.E. # 95,96.

Rock Types or Formations:

Intrusives: The only intrusive seen by the writer was a quartz diorite. This rock type appears to correspond to the "Guichon quartz diorite" described by Dr. J.M. Carr of the B.C. Department of Mines.

Volcanics: A stratified rock type was seen on the road side in S.M.E. # 75; this was probably a tuff, but may have been a sediment. No other volcanics were seen.

MINERALIZATION:

No mineralization was seen by the writer during his visit to the S.M.E. claims.

CONCLUSIONS AND GENERAL COMMENT:

The G.S.C. "Ashcroft" aeromagnetic map shows magnetic lows in the northwest and southwest corners of the property. Such magnetic lows are sometimes associated with large porphyry type copper deposits, though the great majority of such lows are of course not due to such deposits.

Available data indicates that the magnetic lows on this property occur in areas capped by Tertiary volcanics whose thickness and magnetic properties are unknown.

The writer considers that these anomalies on the Dusty Mac Mines property should be the targets for a detailed exploration program. The remainder of the property deserves geophysical and geological exploration in a search for additional target areas.

The initial stages of such an exploration program would consist of line cutting and magnetometer surveys. This work could begin immediately.

Respectfully submitted,

A handwritten signature in cursive script that reads "David R. Morgan". The signature is written in dark ink and is positioned below the typed name.

23 November 1968.

David R. Morgan, P. Eng.