CAPIEN AERIAL EXPLORATION LITTO.

DIVISION OF CANADIAN EXPLORATION LIMITED

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REPORT ON

DUSTY MAC MINES LID.

OKANAGAR FALLS, B. C.

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27 September, 1968 Vançouver, B. C. C. C. Rennie File: 82-E-5

The property was brought to the attention of Placer by I. Shulman in mid-August. The writer and W. S. Pentland visited the property on the 25th of August, 1968 and took 8 grab samples from the pits and dumps on the property. We were guided in this examination by Ken Thompson, one of the vendors of the property. This brief examination resulted in the impression that the deposit could have size and value if the assays reported were related to the silicification of the volcanics which has some horizontal extent. A copy of a report on the property by D. N. Cannon, P. Eng., dated 13th of August, 1966 was made available to Placer on the 29th of August. The the afternoon of the 30th August, discussions between Bessrs. E. A. Scholz, L. Adie, I. Shulman, and D. Macdonald resulted in a tentative agreement for exploration of the property by Placer, dependent on reasonable confirmation of the assays supplied in the Canuon report and of the grab sample assays obtained by the writer and W. S. Pentland. A program of sampling was begun on the 1st of September to check these assays as expeditiously as possible

PROPERTY AND OWNERSHIP

A total of 106 mineral claims were to be included in the agreement. These are reported to be contiguous mineral claims although some have been overlapped to take care of any fractions that may have been left. The claims were staked in the name of Joe and Gus Macdonald and recorded at Penticton, B. C. No attempt was made to verify the location and title of these mineral claims at the present time.

LOCATION AND ACCESS

The claims cover the knoll immediately to the east of the town of Okanagan Falls at the south end of Skaha Lake. Access to the claims is along a dirt road which leaves the paved east-side road approximately one mile north of the centre of Okanagan Falls. There is another road onto the claims from the Allendale road.

REFERENCES

G.S.C. Map 15-1961 Kettle River West Half by H. W. Little G.S.C. Map 627A Okanagan Palls by H. S. Bostock
No reference can be found to old workings in this area in the Minister of Mines reports.

GENERAL GEOLOGY

Little's map 15-1961 shows an area of Eccane or Oligocene sediments, agglomerates and breccias bounded by block faults in the Okanagan Falis area. There are no mineral occurrences to this location shown on the map.

LOCAL GEOLOGY AND MINERALIZATION

The rocks seen in the mineralized area are almost all porphyritic andesite agglomerates and breccias, with general north-south strike and easterly dip. On the western knoll that contains the adits there are some masses of quartz and lenses of silicification in the breccia. The extent of this silicification in the vicinity of the adits is not known but does not appear to be great. Approximately 500' further east at the trenching described on the map as "copper trenches", there is some silicification associated with chalcopyrite mineralization. The chalcopyrite is oxidized to malachite and szurite. Again, this silicification appears to be lensy in nature.

Between 2,000' and 2,500' east of the copper trench there are a series of old pits which have been reopened by the vendors in outcrops of breccia. In this area, the breccia shows some strong silicification along a line bearing 115°. Trenching and additional mapping indicated that this silicification is a maximum of 15' wide. On either side of this silicified band, there are thin erratic quartz stringers throughout the breccia, for at least 50' on either side of this line. Beyond this general 100' width there appears to be little silicification other than occasional quartz veins. The mineralization in this eastern zone described as Zone B in

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cannon's report, is very sparse indeed. Specimens containing free gold and metallic silver have been reportedly collected from this zone. Samples collected by W. S. Pentland and the writer on the initial examination of this zone on the 25th August gave gold and silver assays and particularly one sample of dump material from the trench #1 area assayed 1.99 ounces of gold and 29.7 ounces of silver per ton. This material was reportedly blasted from the side of the gulley in the trench #1 locality. Microscopic examination of cut surfaces by Dr. A. D. Drummond did not find any metallic mineralization in samples from this area.

SAMPLING METHODS

In order to check assay the material a sampling program was carried out between the 1st and 5th of September. The method employed was the use of two Atlas Copco Cobra drills with up to 4' steel for drilling and blasting trenches across the zone. One incomplete trench #1 was blasted at the site of the high grade sample and one 100' long trench was blasted through a previous pit which had shown gold assays. This is described on the wap as trench #2.

The sampling program was carried out by the writer, W. S. Pentland, W. McIntosh of the Canex staff, C. Wilmot, a summer student in the employ of Canex, and two local employees, Fred Steeves, and Ian Boschalk. Samples were taken from the cuttings of the blastholes, usually in a composite of two blast holes, side by side in the trench. After the trenches were blasted and hand mucked clean of broken rock, the bottom of the trenches were swept down with a broom to expose as fresh a rock surface as possible, then the cobra drill was used to break up rock in the bottom of the trench to provide material for a chip channel sample of the bottom of the trench. In order that as representative a sample as possible would be taken, approximately 15 lbs. of this broken material was taken for each five foot interval along the bottom of the trench. In addition to these blast hole samples, and channel samples of the bottom of the trench, some moil samples were taken in the other pits in the east zone and some 4' drill holes were put down for dust sampling in the vicinity of #1 trench, #2 trench and three

holes were drilled to 4' depth in the copper trenches. The assays of each of these samples is shown on the assay plan. All samples were carefully protected from salting throughout this final program and were delivered by hand to Coast Eldridge Laboratory, except for the first four rock samples on the #1 trench which were sent down by bus express, collected by L. Adie in Vancouver and delivered by hand to Coast Eldridge. ASSAYS

Assays obtained from these samples are shown on the attached list and together with a description of their location and also on the attached assay certificates from Coast Eldridge, and illustrated on the assay plan attached. To avoid confusion, the analyses of the 8 samples collected from the 25th August examination are not shown on the assay plan or attached to this report, but accompany the report by the writer dated 28th August.

SPECIAL AHALYSES

In order to check for possible salting by gold or silver chloride or cyanide, 8 samples were analyzed for chlorine and cyanide iron. These samples included two of the high grade samples collected on the August 25th examination and two samples which showed very little gold or silver mineralization from the #2 trench. This special analysis showed no significant chloride or cyanide iron present in any of the samples. The assay certificate of this analysis is attached.

CONCLUSIONS

The trenching and sampling carried out, together with the mapping, indicates that the mineralization in the western adits and copper trench is very small and of little significance, and that the mineralization in the eastern trench is confined to a very narrow zone of higher silicification with very erratic low values in gold and silver. The high grade gold and silver found in the dump material in the vicinity of #1 trench could not be verified by the blasted trenches or the drill hole samples and is therefore highly suspect. Although there may be some very erratic and narrow gold-silver values in the silicified eastern zone, the quantity and quality of mineralization is certainly not sufficient to justify further exploration.

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RECOMMENDATION

No further action should be taken on the Dusty Mac Hines Ltd. property at Okanagan Falls by Canex Aerial Exploration Limited.

C. C. Rennie.

CCR/slp/680744 Attach.