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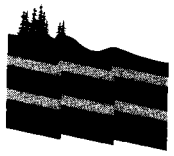
OREQUEST

- Dixon I
- Chu Chua
- Wikiup North



October 6, 1986

Mr. I. Pirie
Corporation Falconbridge Copper
6415-64th Stgreet
DELTA, B.C.
V4K 4E2

Dear Ian:

Re: HLEM Surveys

I submit the following descriptive comments on the various HLEM surveys that you asked me to review. Pictoral descriptions are on the various maps of the surveys involved. Because of the nature of most of the data, no rigorous, systematic interpretation of individual conductors was undertaken.

Chu Chua

The survey covered lines 8000N to 9400N at 100 metre intervals from 9800E to 11800E.

The survey detected a number of subtle anomalies some of which are only 1777 hz., out of phase responses.

One principal conductor which crosses all of the lines between 1175E and 1325E is present. It varies in width from thin to 25 metres. Where formally interpreted, it exhibits a conductance of about 2s and varies in depth from less than 15 metres to about 40 metres.

Apparent offsets in the conductor of up to 50 metres point to cross-faults between lines 8900N and 9000N, 8600N and 8700N and 8200N and 8300N.

Several other, mostly 1777 hz out of phase, anomalies identify a number of other very poor conductors. Based on geophysical merit, these features would not be worthwhile targets.

There is one obvious misplot at 8200N, 11475E where the +0.9 out of phase should be -0.9.

Some topographic effects may remain in the data. Questionable results include; 3 or 4 points at the east ends of line 9300N and 9400N, data between 10300E and 10450E on line 9200N and between 10250E and 10400E on line 9000N where in phase anomalies of similar amplitude on both high and low frequency that are unsupported by out of phase anomalies occur.

DIXON II

Coverage in the Dixon II area is divided into two areas as follows:

North: lines 12400N - 13000N, 0 - 1000E
South: lines 10700N - 11200N, 500W - 500E
lines 11300N - 11900N, 500W - 0

A large number of anomalies, some of which coalesce and interfere with adjacent anomalies were recorded. With overlapping anomalies it is difficult to determine whether multiple conductors or wide, variably conductive zones are present. The area would have benefitted from a 100 metre coil spacing survey in selected places.

There are no outstanding conductors in the southern portion of Dixon II. One conductor, on lines 10900N - 11200N at 300E correlates with an Ag soil geochemical anomaly. A selected interpretation of this conductor yields:

Located: 11100N, 287E
Depth: 25 metres
Conductance: 3s
Dip: n/a

Possible data problems occur at 11200N, 100E-300E; 11100N, 100E-200E at 11000N, 100E-200E. Where in phase anomalies are approximately the same on both high and low frequencies and no correlating out of phase anomalies are present.

In the north part of Dixon II two narrow conductors and one wide one were outlined. For the most part of the conductors are generally weak as indicated by in phase/out of phase ratios of about 1.

A portion of one of the narrow conductors ie at 12800N, 537E has an in-phase/out of phase anomaly ratio of 2 which yields an interpreted conductance of 8s which is considerably higher than average conductance for the area. The depth to the conductor at this locale is less than 15 metres so trenching or perhaps prospecting rather than drilling may be adequate to test it.

DIXON I

The Dixon I survey covers the following lines:

7500 and 7600N, 0 - 1000W
7700N - 7900N, 0 - 1000W
8200N - 8600N, 0 - 1400W
8700N - 9000N, 800W - 1300W

As a large number of anomalies were recorded. Comments regarding the character of the data from Dixon II and its interpretability also apply to Dixon I. This area would have definitely benefitted from a shorter coil spacing survey.

An example of the extent of some of the anomalies is illustrated by the high frequency out of phase which is anomalous for almost 1 km between 075W and 1000W on line 8400N.

The large number of conductors or conductive zones are indicative of a graphitic geological environment. Sulphide conductors rarely occur in such abundance.

Geophysically, none of the conductors is preferred. An anomaly at 8200N, 437W is relatively clear cut. Interpretation of this feature yields:

Location: 8200N, 437W
Depth: less than 15 metres
Conductance: 3 s
Dip: n/a

There is some questionable data. For example at the west ends of lines 8200N and 8300N where low frequency in-phase responses are larger than the corresponding high frequency respones.

WIKIUP NORTH

The survey covered two blocks namely lines 13800N - 14800N, 1000E to 2600E and lines 12400N - 13700N, 1000E to 1800E.

Coincidentally, the character of the data in the two blocks is different.

The second (or southern) block is electromagnetically inactive. One main, weak conductor, identified by mostly out of phase anomalies is present.

The north part is very active a large number of anomalies indicative of wide or multiple conductors distributed in two zones. The western zone appears to curve toward the east gradually beginning at line 14200N until by line 13900N it trends east/west. The series of positive anomalies along line 13900N from about 1800E - 2200E suggest that the conductor may be a flat lying or gently dipping sheet.

Electromagnetically, there are no outstanding responses, although some of the anomalies, such as the one at 14100N, 1700E with an in-phase/out of phase ratio of 5:1 are caused by very conductive material.

In summary, there are no outstanding responses in any of the surveys. One conductor on Dixon II appears to correlate with a Ag soil geochemical anomaly and therefore may be a worthwhile target. The remaining conductors need to be screened using other geo-technical information. If some conductors emerge as potential targets, it may be worthwhile to re-review the data. Potential targets which are part of multiple conductors or conductive zones would benefit from coverage with a coil spacing shorter than the 150 metres used for the surveys.

Yours truly,

OREQUEST CONSULTANTS LTD.

J.L. LeBel, P.Eng.