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PRELIMINARY REPORT

HEATHER CREEK GOLD PROSPECTS

Specogna Minerals Corp.

Cowichan Lake Area

Vancouver Island, B.C.

NTS 92C/15,16, 92F1/2

J.J. McDougall  
September 28, 1982

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INTRODUCTION

The Heather Creek gold prospects near Cowichan Lake on Vancouver Island were examined by the writer, accompanied by E. Specogna (the discoverer) on September 15th, 1982. The writer had visited the property briefly at an earlier date.

SUMMARY

Gold-bearing quartz veins and significant alteration zones containing anomalous gold values have been discovered in favorable rock units at the head of Heather Creek near Cowichan Lake on Vancouver Island. The nature of the little explored area is such that a more detailed follow-up is required to ascertain the importance of the discoveries.

NAME: Heather Creek Gold Prospects

OWNER: Specogna Mineral Corp., Nanaimo, B.C.

PROPERTY

The property consists of the following 4 located mineral claims, the legal corner posts of which were examined in the field by the writer:

- Marino S - Tag 52789 - located 08/07/82 by E. Specogna, agent for Specogna Minerals Corp. (20 units - 4S, 5E).
- Carol S2 - Tag 52787 - located 08/07/82 by E. Specogna, agent for Specogna Minerals Corp. (20 units - 4N, 5E).
- Lucia S - Tag 52782 - located 02/07/82 by E. Specogna, agent for Specogna Minerals Corp. (20 units - 4S, 5W).
- Efrem S - Tag 52788 - located 06/07/82 by E. Specogna, agent for Specogna Minerals Corp. (20 units - 4N, 5W).

## LOCATION

The Claims are located between the headwaters of the south fork of Shaw Creek and the upper headwaters of Heather Creek, (see Map HCl/82). The property, occurring between elevations of about 500 meters and 1400 meters, is approximately 23 kilometers northwest of Youbou on Cowichan Lake, Vancouver Island. About 50% of the area involved has been logged.

## ACCESS

Direct access to the prospects is by several kilometers of partially washed out jeep road (local designation 10C3) which leaves the Crown Zellerbach-Nitinat River Logging Road near the mouth of Heather Creek. The logging road, to which access is restricted, is about 1 hours drive from the Island Highway near Duncan. A Restricted Access road also exists, traversing the south fork of Shaw Creek, but is about 1 kilometer short of joining the Heather Creek Road.

Parts of the area are being actively logged by Crown Zellerbach, Pacific Logging (CPR), and McMillan Bloedel.

## HISTORY AND DEVELOPMENT

The gold occurrences were discovered by Efrem Specogna of Nanaimo during the summer of 1982 while investigating evidence of copper oxidation noted by him during earlier logging of the area. No record exists of earlier staking and the nearest mineral claims occur about 5 kilometers to the southeast where they are presumably part of the property staked around the Tuck Lake copper prospects. The latter, along with the once mined Cowichan Copper (Bluegrouse) property south of Cowichan Lake, are in a geological environment different to that in which the Heather Creek prospects occur. The long abandoned mine on Mt. Sicker,

HISTORY AND DEVELOPMENT (contd)

between Cowichan Lake and Duncan, occurs in and lent its name to the rock units evident at Heather Creek.

Initial grab sampling of the Heather Creek veins by Specogna showed gold values ranging to about 0.75 oz. Initial grab sampling by the writer confirmed that at least two of the veins contained gold values of about 0.4oz (Table 1). Several samples were taken at the time of the soils surrounding the poorly exposed but reddish alteration zones evident in road cuts. Assays returned an anomalous gold content. At this time an EM16 VLF (electromagnetic) reconnaissance survey was done along the logging roads and in the vicinity of one of the alteration zones, the operator, S. Presunka of Presunka Geophysics, recorded a distinct "crossover" suggesting a buried conductor. The "one line" survey was not followed up, however.

One silt sample was taken from the immediate crossover vicinity, returning slightly anomalous results. While obtaining the silt, a copper-rich specimen of auriferous float was discovered (Sample # E1).

During the September 15th examination, the writer, accompanied by Specogna, investigated some float and in-place occurrences on the south fork of Shaw Creek in the vicinity of the legal cornerposts of the claim group. Following this, an examination of the main Heather Creek Showings was made which included a rapid chain and compass geological and location survey across about 600 meters comprising the main zone of interest to date (Map HC2/82). The main "roadcut" vein was well sampled using the cobra drill, and several additional samples of rock and soil, particularly in what is termed the "North Alteration Zone", were taken.

Most time expended on the property has been involved with claim staking and virtually no exploration beyond road-cut exposures has been done to date.

## GENERAL GEOLOGY

The geology of the area has been quite well documented by the G.S.C. and the B.C. Ministry of Mines with 50,000 scale mapping by Mueller and Fyles, respectively, being the most recent (see references). Map HC 1/82 outlines the rock unit of interest in the Heather Creek area.

The gold prospects occur within andesitic volcanics of the Sicker Group, a relatively old and narrow belt of Late Paleozoic sediments and volcanics found re-occurring throughout about half the length of Vancouver Island. The more siliceous units host the once important Mt. Sicker and the currently important Westmin (Buttle Lake) massive sulphides. Locally the Canamin gold deposit (15 kilometers north of Heather Creek) also occurs in Sicker rocks.

The group is characterized by a generally schistose texture, particularly within the thin bedded sediments, and an abundance of cherty rocks ranging from fragmental to bedded. Jasper-rich sections are common and rhodonite, which on weathering breaks down to conspicuous black manganese oxides, occurs at a number of localities. Massive limestone lenses are present but have little economic significance. The relatively massive but weakly schistose volcanic units such as occur at Heather Creek have some economic significance as according to Mueller, they constitute the host rock volcanics at porphyry environments such as Catface. Intrusives, although suspected, are not evident at Heather Creek but Tertiary "Catface Intrusions" do occur near the Canamin gold deposit to the north.

## LOCAL GEOLOGY

The Heather Creek gold prospects occur within andesitic volcanics of the Sicker Group which locally are relatively little altered, appear to be at least 400m thick, trend east-westerly, and dip steeply to the north. The unit has been investigated locally only in road cuts where schistosity appears to parallel strike.

LOCAL GEOLOGY (contd)

A steep, northerly dipping, joint-fracture system with attitudes trending northeasterly at a high angle to the schistosity (bedding?) appears to control the main quartz vein system. Faults subsidiary to, or associated with, a main fault shown along Heather Creek are believed responsible for the fracture system, including the northern alteration zones.

DESCRIPTION OF DEPOSITS

1) Main Gold Vein

Exposed in a road bed, this steep vein which strikes northeasterly consists predominantly of white quartz containing occasional blebs of chalcopyrite. Black carbonaceous banding is occasionally evident. A prominent limonite-enhanced alteration of the wallrock up to a meter on both sides of the vein consists of pyrite and carbonate (Map HC2/82 inset).

The vein, which varies from a few centimeters to 60cm in width, is exposed almost continuously for about 35 meters although several east-west faults have caused displacement of a few feet along this length. It is part of a zone containing disconnected remnants(?) of equally small quartz veins extending southwesterly for at least an additional 200 meters. It is possible that some of the small overburdened depressions occurring along this extension may be part of the main vein system, but lack of float or wall rock alteration does not encourage this concept. The vein narrows rapidly to the northeast and appears cut off or displaced by a northerly trending fault to the southwest.

Assays and Reserves

Grab samples of the main vein across its widest point (60cm) returned values ranging from 0.4 and 0.7 oz. However a large sample collected with the aid of the cobra drill (SS5)

ASSAYS AND RESERVES (contd)

ran 0.19 oz while the 60cm of altered wallrock adjoining averaged about 52ppb gold. The north end of the vein (SS2) ran 0.039 oz Au and the alteration about 20ppb while the south end (SS7) ran 0.023 oz. A second (unrelated?) vein or remnant SS8 returned only 0.002 oz.

Although copper accompanies the better gold values, it is not a necessity. The gold is more likely related to the dark band or ribbons, explaining assay discrepancies if sampled alone. 9

2) North Alteration Zone

The prominent alteration zone north of the main vein as exposed in road cuts measures approximately 250 meters in a north-south direction. Alteration appears similar to that surrounding the main veins - i.e. pyrite (now largely limonite) and carbonate. Small but deeply weathered quartz stringers containing minor chalcopyrite with at least one 0.45oz gold value, more evident as float than in place, occur in the zone where they appear to strike northwesterly paralleling local schistosity. Dip is steeply north.

Branch faults paralleling both waterways as shown on Map HC2 may control the veins and the alteration associated with them but the geology has not been done in enough detail to prove this. The largely overburdened area is of interest because of (a) the widespread alteration, (b) an EM 16 anomaly near gold-bearing float, (c) a fault controlled depression extending a considerable distance uphill (easterly) and probably downhill, to which the EM 16 anomaly appears related.

Assays and Reserves

Sample E1 @ 0.45 oz represents a small, relatively fresh quartz vein in the zone. Sample SS11 represents the only other vein, a 5cm wide, highly altered one, sampled in the zone. Assays returned 40ppb Au.



Assays and Reserves (contd)

A piece of unmineralized wallrock representative of the alteration halo SS12 returned 15ppb Au, 2.2ppm Ag, and 630 ppm copper. A large soil sample from the north end of the zone (E3) assayed 90ppb Au while random rock fragments from the same area (SS10) returned only 5ppb Au.

3) Shaw Creek - Float and Veins

A road cut along the south side of the south fork of Shaw Creek has exposed several small, east-west trending quartz veins, one containing specularite and chalcopyrite, plus several .3 to .4m, chalcopyrite-bearing quartz boulders, one of which, according to E. Specogna, assayed about 0.2 oz Au.

Recent sampling of the small specularite vein (2912) returned 0.002 Au while that of the float sample described (2911) assayed only 0.011 oz Au. Proven reserves of the gold prospects are negligible at this time.

CONCLUSIONS

Although some doubt exists as to the correctness of recent assays which failed to confirm some of the earlier ones which had themselves stood a degree of confirmation even earlier, it is obvious that gold-bearing prospects do exist in this minimally explored location. The quartz veins as exposed are of little interest unless they improve considerably at depth, there being no suggestion of such at present. However, more veins undoubtedly remain to be found.

Of most interest are the somewhat anomalous pyritic alteration zones which could host a number of smaller veins constituting a lode. That structure exists controlling this has been suggested by the one random EM 16 line, and that some gold exists has been shown by the analysis. Gold values in the soil are similar to those in the alteration of the main vein and appear

CONCLUSIONS (contd)

several times higher than background. A zone warranting further exploration is suggested as occurring to the immediate southeast (and northwest) of Station 6, (E1, E2 area). Local schistosity and at least one quartz vein trend in this direction. Such a zone is probably fault bounded on the south as a scarp extending for a couple hundred meters is visible in this direction.

RECOMMENDATIONS

The Heather Creek Gold area is virtually unprospected and unmapped. There are no obvious economic deposits targeted thus any large exploration programme is totally premature at this stage. Rather, results to date suggest more detailed prospecting supplemented in suspect areas by preliminary geophysical and geochemical tests. Any strong trends, particularly in the alteration areas, could be followed up by cat trenching or even exploratory drilling, the area being ideally suited for such.

The following staged approach is suggested:

- 1) Prospecting of the entire claim group, particularly between Heather and Shaw Creeks, working outwards from the known area. Special attention should be paid to pyritic alteration zones and quartz float. This will involve some silt and soil testing (geochem). Several silt samples should be taken along each creek crossed.

Time 1 man = 1 month

2 men = 2 weeks

Costs

Salary & travelling expenses	\$6,000.00
Assays (incl. geochem)	1,000.00
Office Expenses (maps, etc)	<u>1,000.00</u>
 TOTAL	 \$8,000.00

2) Geochemistry and Geophysics

A Geochemistry

The North Alteration Zone has been designated Area "A" on Map CH2/82b (a section from CH2/82), enclosed. It is within this zone that any gold zone would be suspected initially, although favorable alteration could extend to the northwest and northeast of the drawn boundaries. Prospecting might result in more work being required in these directions. About 80 soil and 15 silt samples should be taken initially, on lines 30 meters apart and at 20 and 40 meter intervals, (one line at 10m). Any obvious reddish soil noted outside the boundaries should also be sampled. The samples should be run by ICP methods which assay for numerous additional elements at the same price.

Costs

Laying out the lines and flagging stations with a compass plus Hip Chain (accuracy need not be too great) could be done by such as S. Presunka in 2 days, and sampling in 2 more.

Wages and Travelling expenses	\$1,000.00
Assaying	700.00
Office Expenses	<u>300.00</u>

TOTAL \$2,000.00

B Geophysics

Faulting, which may coincide with the mineralized zone, can probably be detected with the EM 16 as suggested by Steve Presunka's results on his one line survey. Readings can be taken at each geochem station and any trends can be followed through while still in the field. Mag work, although of probable limited value, could probably be done given an additional half day.

B Geophysics (contd)

Costs

(EM 16)

Wages (i.e. Presunka)

3 days total @ \$250.00/day (incl) \$750.00

(Magnetometer)

½ day @ \$250.00/day 125.00

Subtotal \$875.00

Overhead, etc. 125.00

TOTAL \$1,000.00

TOTAL OF STAGES A & B \$3,000.00

3) Physical Work

Since the overburden is relatively light a few trenches on the better anomalies to confirm soil values or actually intersect a deposit will probably be warranted.

Wages \$1,000.00

4) Diamond Drilling

Exploratory diamond drilling could probably be done on this deposit very reasonably were targets shown within or close to Area "A". Several holes across the zone would probably total 1500 feet. "All up" costs would approximate \$50/ft in this locale for a total of \$75,000.00.

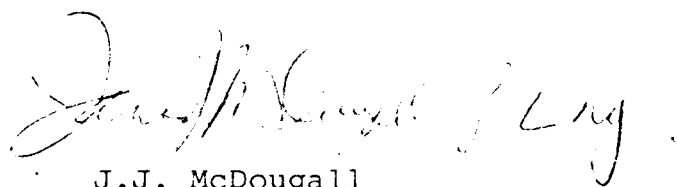
5) Assessment Work

Recording and involved procedures \$2,000.00

6) Supervision \$1,000.00

TOTAL AND SUMMARY

General first stage exploration of the Heather Gold prospects including detail in area "A" would total about \$16,500.00. Follow-up drilling depends entirely on first stage results but costs for a minimal 1500 feet of drilling would total about \$75,000.00.

A handwritten signature in cursive script, appearing to read "J.J. McDougall".

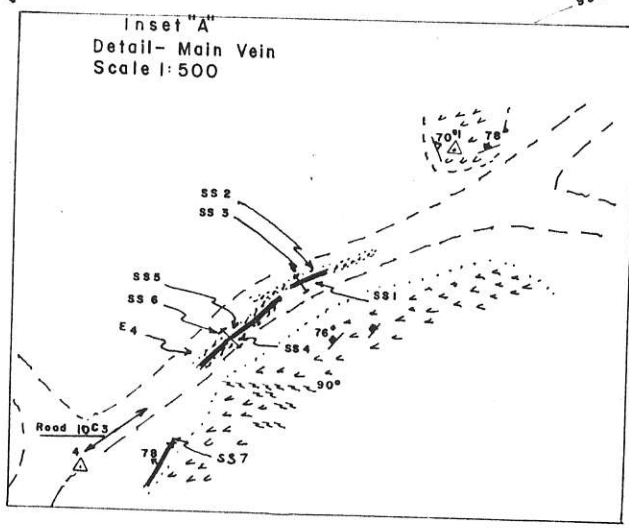
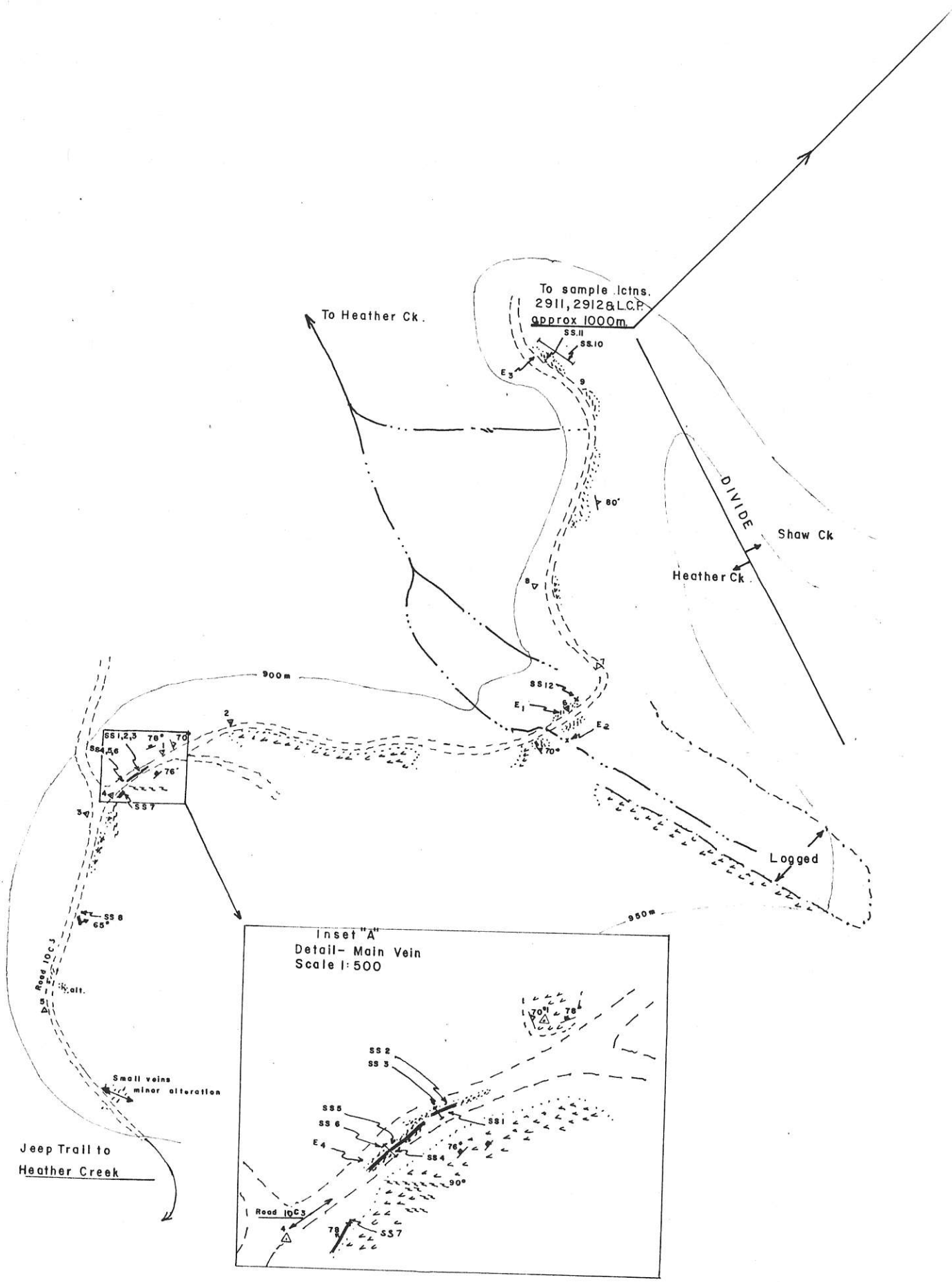
J.J. McDougall

TABLE 1

## ASSAY DATA, HEATHER CREEK GOLD PROSPECT

Sample #	Location & Description	Width Sampled	Au F = Fire	Ag	Cu	Zn ppm	Pb ppm	As ppm	Sb ppm
2911	S. Fork Shaw Ck Road 1ft x 2ft quartz float	30cm	0.011(F)	0.10	.159				
2912	As 2911, Cupriferous hematite in quartz	10cm	0.002(F)	0.19	.332				
SS1 13	Main vein alteration(E)	30cm	10ppb	1.2ppm	-				
SS2 14	Main vein (qtz)	25cm	0.039(F)	0.19	.018				
SS3 15	Main vein alteration(W)	1.2m	35ppb	1.4ppm	-				
SS4 16	Main vein alteration(E)	30cm	40ppb	1.8ppm	-				
SS5 17	Main vein quartz	60cm	0.190(F)	0.15	.050				
SS6 18	Main vein alteration(W)	30cm	65ppb	1.1ppm	-				
SS7 19	Main vein quartz	45cm	0.023(F)	0.09	.020				
SS8 20	South vein or extension??	28cm	0.002(F)	0.09	.017				
SS10 21	Northernmost alteration zone. Grab of Talus	29m	5ppb	.6ppm	-				
SS11 22	Qtz vein within SS10 zone	5cm	40ppb	.7ppm	-				
SS12 23	Specimen, Creek alteration zone	-	15ppb	2.2ppm	630ppm				
E1	Qtz-cpy float-creek zone	9.6cm	0.450oz	0.86oz	3.06%	1	138	55	41
E2	Creek Zone Silt	-	15ppb	0.1ppm	105ppm	46	5	2	2
E3	North Zone Soil	-	90ppb	0.3ppm	342ppm	32	3	4	3
E4	Grab-Main Vein Qtz	-	0.425oz	0.03oz	0.02%	18	3	2	2

APPENDIX "A"

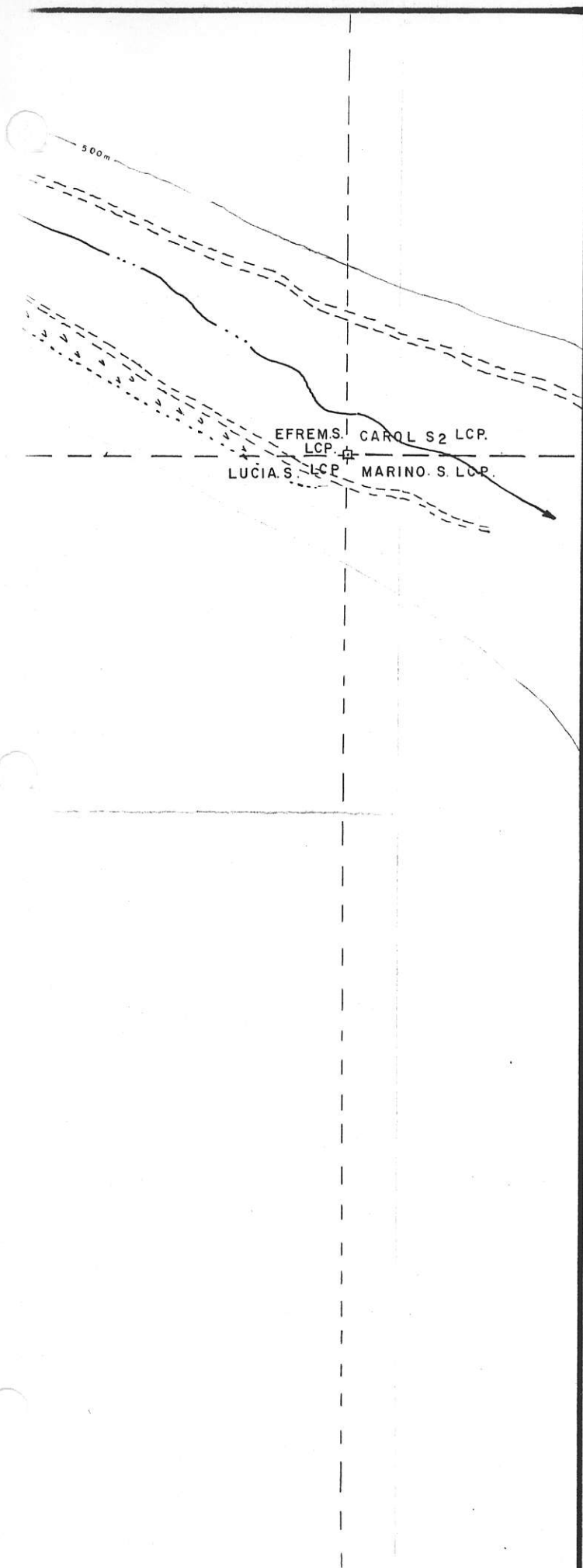




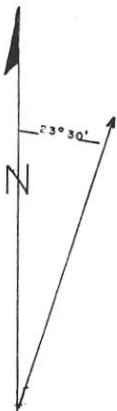
Trees  
Logged

DIVIDE  
Shaw Ck  
Heather Ck

Logged

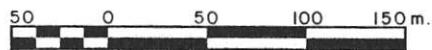


LEGEND



L E G E N D

- v v v SICKER GP. Volcanics (andesites)
- ||||| Alteration zone (Hydrothermal) - Pyritic (limonite in part)-some silica + carbonate
- Quartz vein
- ss2 Sample Location
- / / Schistosity, Jointing
- x x x Faults (inferred)



SCALE: 1:2,500

**SPECOGNA MINERALS CORP.**

PROPERTY:		PROJECT NO.:
Heather Creek Gold Prospect		
LOCATION:		
Heather Creek Lat. 48°59'30" Long. 124°28'30" W.		
TYPE OF MAP:		
Geology + Sample location		
WORKING PLACE:		
BASED ON: J.J. McDougall		
DATE OF WORK: Sept 1982	MAP REF. NO.:	FIG. NO.:
DRAWN BY: G. T.	HC2 / 82	
DATE: Sept 19/82	N.T.S. NO.: 92-C-15/16 92-F-1/2	