

826339

SHIMA RESOURCES LIMITED

TEXADA ISLAND, B.C.

NANAIMO, M.D.

LATITUDE 49° 43N, LONGITUDE 124° 32W

NTS BLOCK 92F - NE

A REPORT OUTLINING WORK DONE DURING 1979
TOWARD DEVELOPMENT OF THE PROPERTY IN
QUALIFICATION FOR MEIP GRANT

BY

KEITH C. FAHRNI, P.Eng.

FEBRUARY 14th, 1980

Keith C. Fahrni

LIST OF CONTENTS

Introduction

Location of Access

Property Definition

Summary of Work Done

- (1) Geophysical Report - 3 copies attached
- (2) Core Drilling

Detailed Technical Data

- (1) Summary of Drill Results
- (2) Core Logs - (16 pages)
- (3) Assay Certificates (-2 pages)
- (4) Cross Sections)
- (5) Plan of Drill Area) } in pocket

Itemized Cost Statement

- (1) Invoices (6 pages)

Letter of Certification

INTRODUCTION

Work on the Texada Island claims by Shima Resources began with a gravity survey by Ager and Associates dated January 31, 1978. This was followed by my report dated March 15, 1978 which reviewed the history of the various old mines on the property and recommended that the anomalies identified by Ager be tested by drilling. On later consideration it was decided that better definition of the targets should be carried out by a more detailed geophysical survey. (The first survey was based upon cross lines spaced at 400 meters). Three areas for detailing were selected from the several anomalous localities detected by the first survey and several geophysical survey methods were used over a 50 meter square grid on each area. This report is submitted herewith. It was completed on July 7, 1979. Six drill holes were recommended to test three different coincident geophysical anomalies. One of these was an area near the Little Billie Mine. This area was selected for first testing because of the proximity of proven copper and gold mineralization in the old mine workings. On April 26th 1979 an application was made for a M.E.I.P. Grant. The company was listed for trading on the Vancouver Stock Exchange in November and immediately following this event drilling commenced. The results of this work are reported below.

A. LOCATION and ACCESS

The property is located across the north part of Texada Island stretching between the towns of Gillies Bay and Vananda as shown on the accompanying claim map. The island is reached by government ferry from Powell River on Highway 101 north west of Vancouver. The island is also served by Airwest plane service from Vancouver.

B. PROPERTY DEFINITION

The total claim block is shown in previous reports on the geophysical work. The core drilling was entirely on McLeod No. 3 Mineral Claim, Lot No. 515. This crown granted mineral claim is a part of Maple Leaf Group of 27 claims ten of which are located claims. Assessment work has been recorded to maintain the located claims in good standing up to 1985. This work recorded consisted of both geophysical work and core drilling.

SUMMARY OF WORK DONE

1. Geophysical Survey -
(see report by Ager and Associates attached)
2. Core Drilling.

During November and December 1979 six drill holes were put down on the Shima property on Texada Island. These holes were all drilled on the Little Billie geophysical anomaly which was first located by the preliminary program reported January 1978 and which was further defined by the detailed geophysical program reported in July 1979.

The drill used was a BBS-1 machine with diesel motor and hydraulic head. The holes were drilled to BQ size which gives a 36 mm. (1 7/16 inch) core diameter. The wireline system was used to raise the core tube without pulling the drill rods. The contractor was D J Drilling of Surrey B.C. The drill has been temporarily stored in a yard near the drill site.

Work commenced on November 23rd and stopped on December 8th. Three drill shifts were required for mobilization and demob. and thirty-one drill shifts were spent in drilling. The total distance drilled was 628.8 meters (2063 feet). Average advance for drilling time was 20.3 meters (66.5 feet) per shift of 10 hours. Hole depth varied from 81.4 to 129.5 meters (267 to 425 feet). No serious difficulty was encountered in the drilling at this location.

The drill holes were numbered SR 79-1 to SR79-6 and this designation has been marked on the drill hole plugs in the ground and on core boxes and log sheets. Sampling by splitting with a Longyear splitter was carried out in sections which showed sulphide mineralization.

DETAILED TECHNICAL DATA

The location of the holes drilled are shown in relation to roads and other topographic features on an accompanying map. The interpreted geology is indicated on a series of three cross sections which are referenced to the plan.

Drilling was done on three cross-sections spaced 50 meters apart which cut the anomalous zone. Some interesting mineralization was encountered on the central section but the outer sections showed no values although drilling may not have been extensive enough to reach the zone.

Drill hole SR79-1 encountered 16 meters of epidote-magnetite skarn at a limestone, diorite contact at a depth of 106 meters. The averages of assays of 8 samples over this distance were 1.30% copper, 0.041 ounces per ton in gold and 0.54 ounces per ton in silver. This indicates a gross recoverable metal value of \$51.98 per short ton when calculated with copper at \$1.00 per pound, gold at \$500 per ounce and silver at \$20 per ounce and with possible mill recoveries taken at 85% for copper and 95% for the precious metals. The intersection shows good consistency of values over the 16 meter distance at a grade which might be mineable if sufficient tonnage can be developed. Possible extensions should be sought by drilling on a 10-meter pattern.

83 50/T
Gold 700
Silver 36
Copper 1.30

Drill hole SR79-6 was directed toward SR79-1 at an angle of -70°. It encountered the skarn zone in a similar geological setting but it carried a central spur of barren diorite 9.8 meters thick. Above the diorite spur a short section of 0.7 meters assayed 0.89% copper, trace

of gold and 0.10 ounces per ton in silver. The lower skarn section, a length of 4 meters averaged 0.17% copper, 0.024 ounces per ton in gold and traces of silver. The hole then re-entered the diorite. This skarn zone is considerably below possible mining grade at this depth. The zone lies about 15 meters up dip to the north from the intersection in drill hole SR79-1.

The follow-ng tabulation shows holes drilled to date:

<u>Hole No.</u>	<u>Bearing</u>	<u>Inclination</u>	<u>Length</u>	<u>Co-ordinates of Collar</u>		
				<u>Latitude</u>	<u>Departure</u>	<u>Elevation</u>
SR 79-1	-	-90 ^o	129.5	0 + 50S	2 + 00E	34.1
SR 79-2	Due N	-55 ^o	81.4	0 + 49S	2 + 00E	34.1
SR 79-3	-	-90 ^o	81.7	0 + 28S	1 + 53E	35.0
SR 79-4	-	-90 ^o	84.7	0 + 72S	1 + 43E	39.6
SR 79-5	-	-90 ^o	124.4	0 + 37S	2 + 50E	32.6
SR 79-6	S 25 ^o W	-70 ^o	127.1	0 + 74S	2 + 12E	37.0

Total distance drilled 628.8 meters (2063 feet)

The logs of the drill holes are provided following with the assays of the sections which were selected for sampling being shown on copies of Assay Office certificates.