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SUMMARY REPORT
on the
LOUISE LAKE PORPHYRY COPPER-GOLD PROSPECT
Smithers Area
Omineca Mining Division
British Columbia

for
402774 B.C. Ltd.

by
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SUMMARY

The Louise Lake porphyry copper-gold prospect, 35 km west of Smithers, has been partially tested by geological, geophysical and geochemical surveys and by trenching and diamond drilling. Work to date has identified geological features and geochemical and geophysical signatures which are characteristic of significant porphyry deposits elsewhere in west-central British Columbia.

Results to date strongly suggest that previous work has been concentrated in an area marginal to a potentially significant copper-gold zone and additional diamond drilling is recommended to test this hypothesis. Several other targets on the property also merit further investigation.

INTRODUCTION

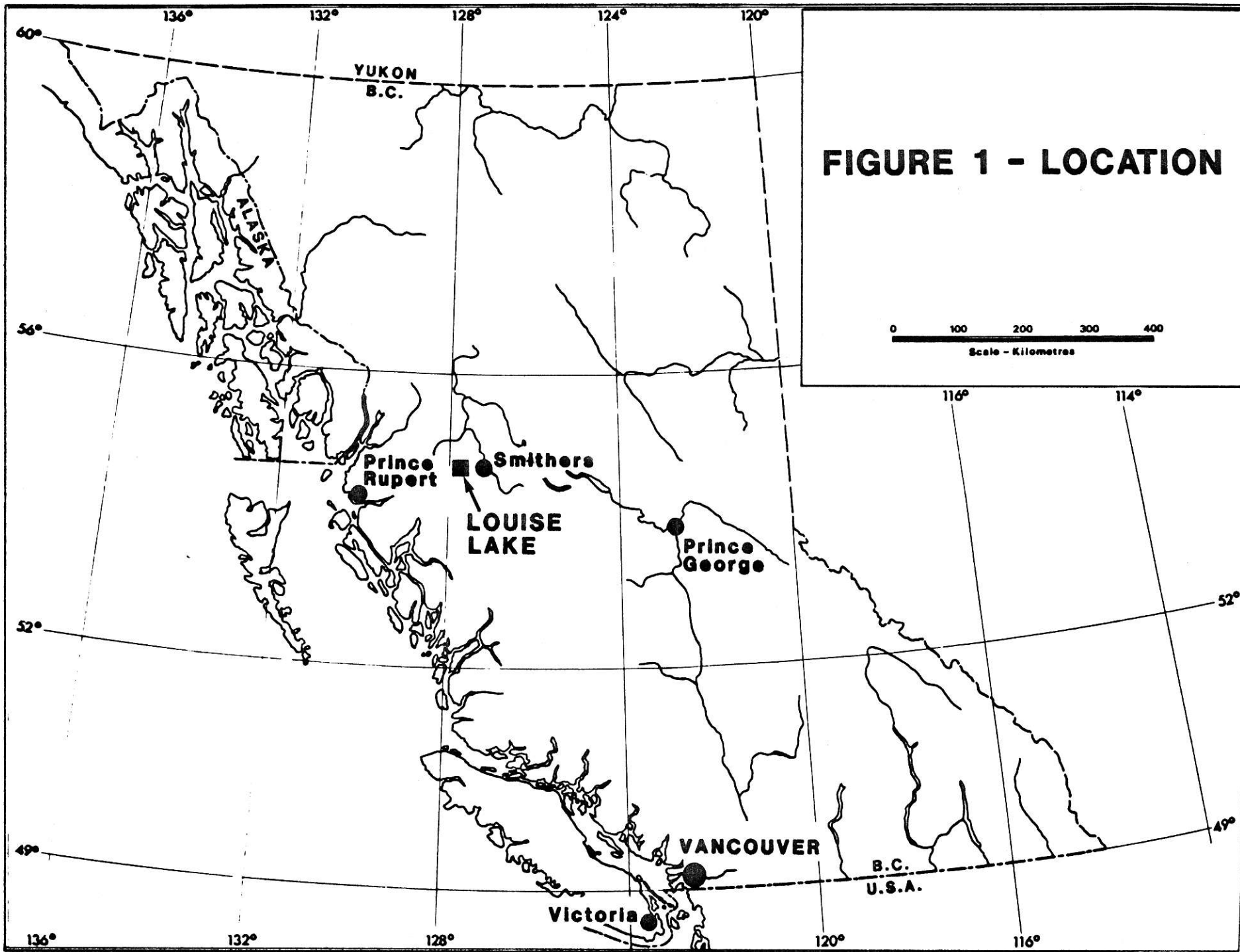
This summary report on the Louise Lake porphyry copper-gold prospect has been prepared at the request of the property owner 402774 B.C. Ltd. of Smithers, B.C. The report is based on records of previous exploration work conducted on the property since its discovery in the late 1960's. Much of this information is in the public record and pertinent assessment reports are listed at the end of this report.

The writer originally examined and reported on the property in 1969 and briefly examined trenched areas and some diamond drill core on the property June 30, 1991.

LOCATION AND ACCESS

The Louise Lake prospect is situated 35 km west-northwest of Smithers in west-central British Columbia (Figure 1). The geographic centre of the property is at latitude $54^{\circ}47'$ North and longitude $127^{\circ}40'$ West in NTS map-area 93L/13E.

Access is currently by floatplane or helicopter. An active logging road extends up Coal Creek to within 3 km of the property and a winter road from Hankin Lake, 3 km east of Louise Lake (Figure 2), has been used for access in the recent past.



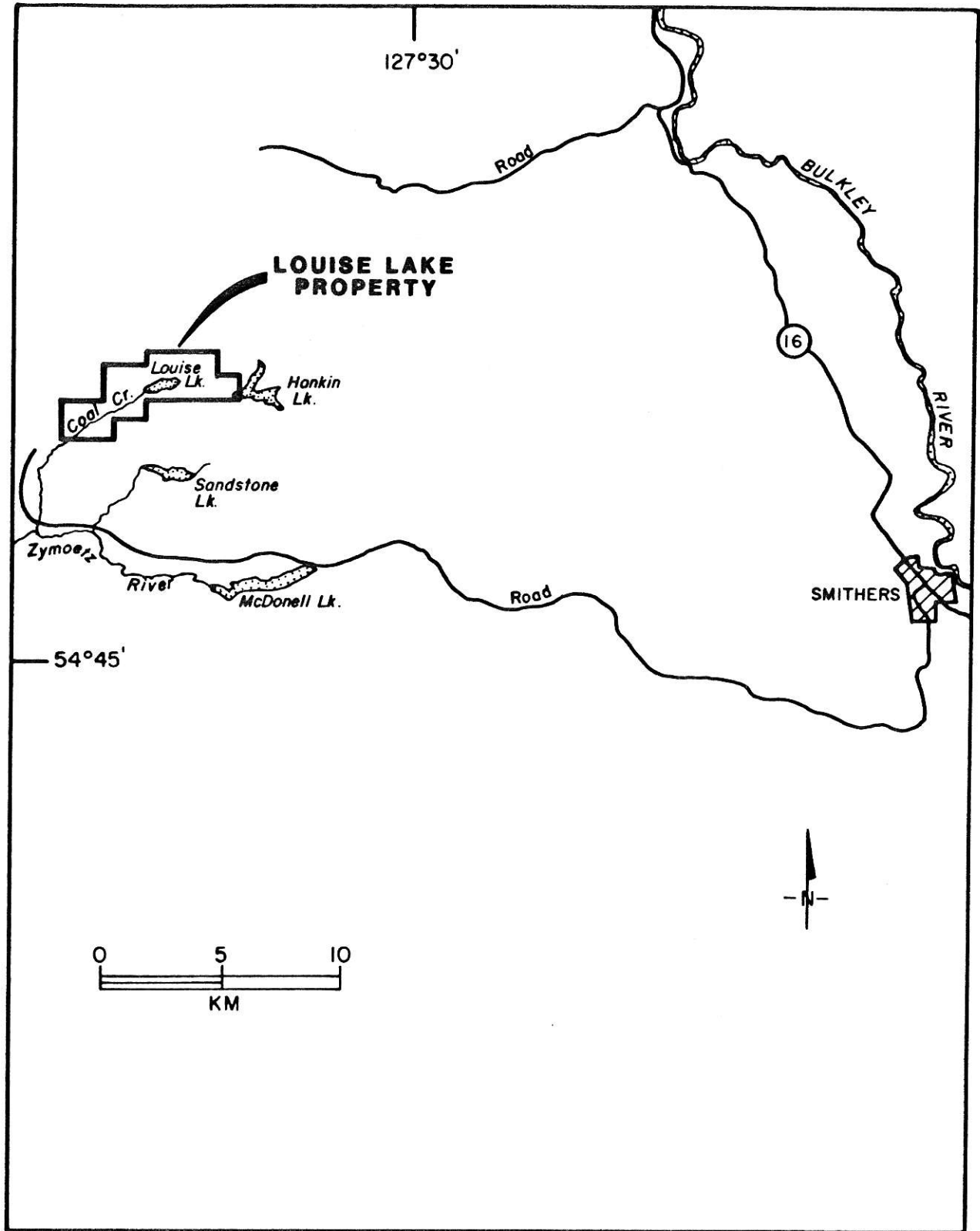


FIGURE 2 - LOCATION - LOUISE LAKE PROPERTY

MINERAL PROPERTY

The Louise Lake property consists of 4 Modified Grid mineral claims (64 mineral claim units) located in the Omineca Mining Division. The mineral claims are shown on Figure 3 and details are as follows:

<u>Claim Name</u>	<u>Record Number</u>	<u>Units</u>	<u>Expiry Date</u>
TENN	8038	20	October 23,1994
TENN(2)	8547	20	July 20,1995
TENN(3)	8548	20	July 20,1995
TROUT	9889	4	October 12,1994

The mineral claims comprising the property were acquired by 402774 B.C. Ltd. March 27,1991.

PHYSICAL SETTING

The property is situated in an area of relatively subdued topography west of Hudson Bay Mountain. Louise Lake is at the headwaters of Coal Creek which flows southwesterly into the Zymoetz River, a major tributary to Skeena River.

Elevations range from 915 metres above sea level along Coal Creek in the southwestern property area to more than 1100 metres north of Louise Lake (Figure 3). Much of the claim area is tree-covered, broken by open, swampy areas east and west of Louise Lake.

Bedrock exposures are mainly restricted to steeper slopes north and south of Louise Lake and along Coal Creek, the shores of Louise Lake and the trenched areas west of the lake.

PREVIOUS WORK

Copper mineralization was discovered immediately west of Louise Lake by Mastodon-Highland Bell Mines Ltd. in 1968. Work by this company and partner Leitch Gold Mines Ltd. included geological, geochemical and geophysical surveys and 220 metres of bulldozer trenching prior to negotiating an option agreement with Canadian Superior Exploration Limited in late 1969. This company carried out additional geological and geochemical surveys, 42 line-km of Induced Polarization surveys and completed 17 diamond drill holes totalling 2021 metres prior to terminating the agreement in 1971.

The claims lapsed and were re-staked by Granby Mining

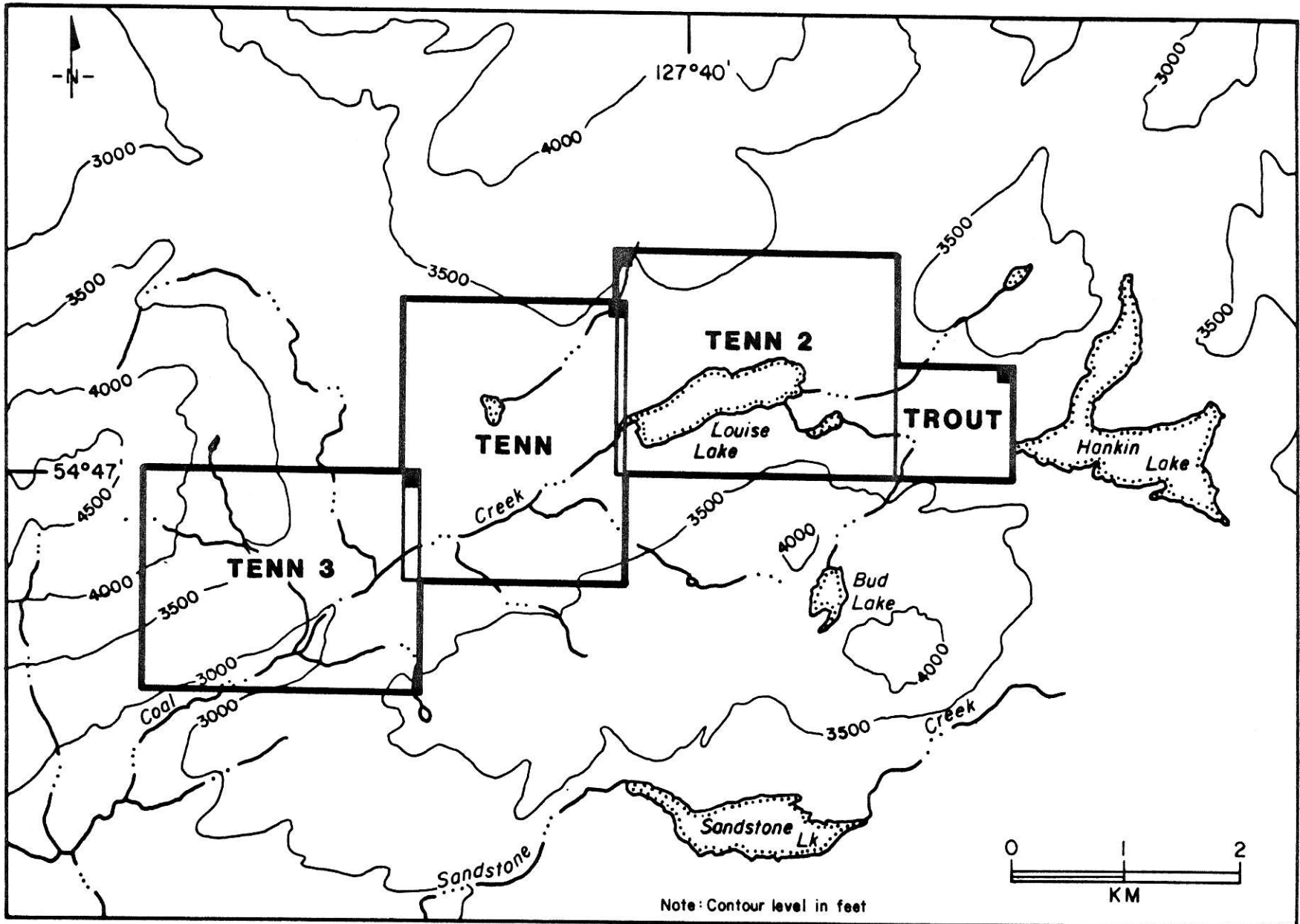


FIGURE 3 - MINERAL CLAIMS

Corporation in 1975. Work by Granby included a re-assessment of previous survey results and additional soil geochemistry. Granby's interests were acquired by Noranda Exploration Company, Limited in 1979 and this company carried out an airborne VLF-EM and magnetometer survey and some rock and soil geochemistry before abandoning the property in 1985.

The property was staked by L.B. Warren and E.A. Shaede in 1986. A re-sampling of some of the original drill core was undertaken and an option agreement was entered into with Lacana Mining Corporation (latterly Corona Corporation) in 1987. Work by Corona through 1989 included detailed re-sampling of 1970 drill core, soil and rock geochemistry, geological mapping, geophysical surveys and 485 metres of backhoe trenching, essentially within the previously trenched areas. Five inclined holes, totalling 916 metres, were drilled.

REGIONAL SETTING

The Louise Lake prospect is situated in the Intermontane tectonic belt of west-central British Columbia, a region well known for its number and variety of mineral deposits including a significant number of porphyry copper and/or molybdenum deposits.

Porphyry deposits and prospects in west-central British Columbia are associated with granitic plutons of late Cretaceous (70-80 million years) and Tertiary (50 million years) age which intrude Mesozoic volcanic and sedimentary rocks. The porphyry intrusions take the form of small stocks, plugs, dykes and dyke swarms of about 1 km in diameter. The intrusions range in composition from quartz diorite to granite and several phases of intrusion are evident in most deposits.

Porphyry deposits in this part of British Columbia are typical of the classic or stock-related type. Potassic, phyllic and propylitic silicate alteration phases are developed in annular shells around the porphyry intrusions. Sulphide minerals occur within and adjacent to intrusions as disseminations, fracture fillings and in quartz veinlets and display a lateral zoning with an inner, weakly mineralized zone surrounded successively by molybdenum and copper zones and a pyrite-rich halo or shell.

Secondary or supergene copper mineralization is known at several porphyry deposits in west-central British Columbia.

Best known examples are Bell Copper and Berg where supergene effects are evident to depths of between 50 and 135 metres below the present surface levels. In both cases, secondary chalcocite enhances primary copper grades by 15 - 25%.

PROPERTY GEOLOGY, GEOPHYSICS, MINERALIZATION AND GEOCHEMICAL SIGNATURES

Geology

The Louise Lake area is underlain by Mesozoic volcanic and sedimentary rocks which are intruded by several granitic plutons of varying composition (Figure 4). An east-northeast fault zone of regional extent which follows Coal Creek and the north shore of Louise Lake separates Middle Jurassic (Hazelton Group) volcanics and sediments on the south from mid Cretaceous (Skeena Group) rocks on the north.

Hazelton Group rocks consist mainly of massive andesitic flows, tuffs and poorly sorted sediments. Skeena Group rocks north of the regional fault are comprised of more acidic tuffs, breccias and flow rocks with some interbedded sediments.

Granitic plutons include intensely altered feldspar porphyries in the main mineralized zone north of the regional fault, relatively unaltered quartz-eye feldspar porphyries along Coal Creek and south of Louise Lake, porphyritic granodiorites east of the lake and small diorite-gabbro bodies in the northern property area (Figure 4).

A small breccia pipe with rotated and rounded fragments in a fine-grained sericite-pyrite matrix was reported by Mastodon-Highland Bell immediately west of Louise Lake. Some of the volcanic rocks in the area of the exposed mineralized zone may be extrusive equivalents of the high level feldspar porphyry pluton which is believed to be of late Cretaceous age.

Geophysics

Principal geophysical signatures on the Louise Lake property are shown on Figure 5.

The principal area of interest west of Louise Lake occupies an area of lower magnetic susceptibility and is partly coincident with an east trending zone of high IP response. The IP anomaly is offset by the east-northeast fault zone and its eastern extension underlies much of Louise Lake (Figure 5). A weaker zone of IP response south and east

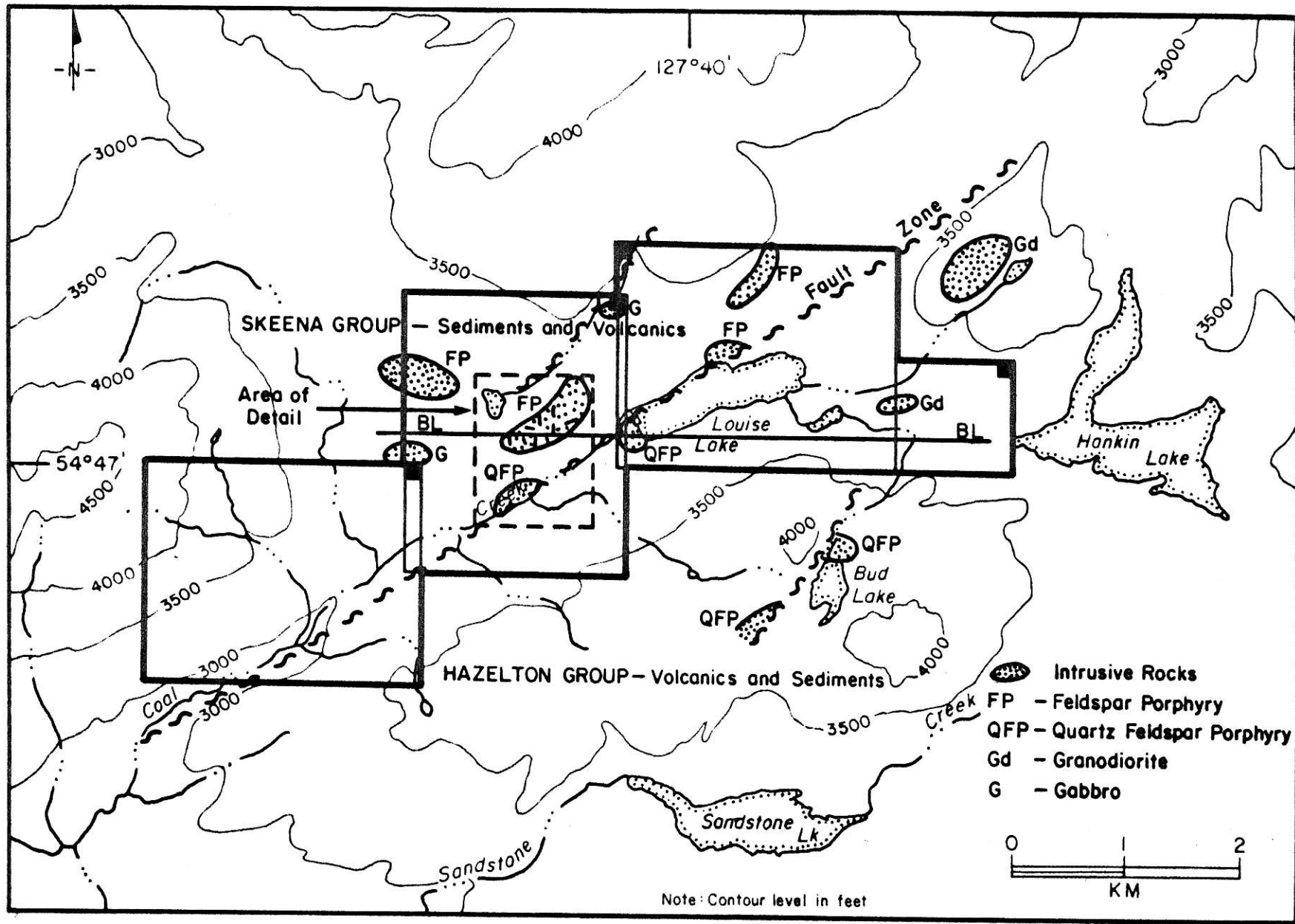


FIGURE 4 - GEOLOGICAL SETTING

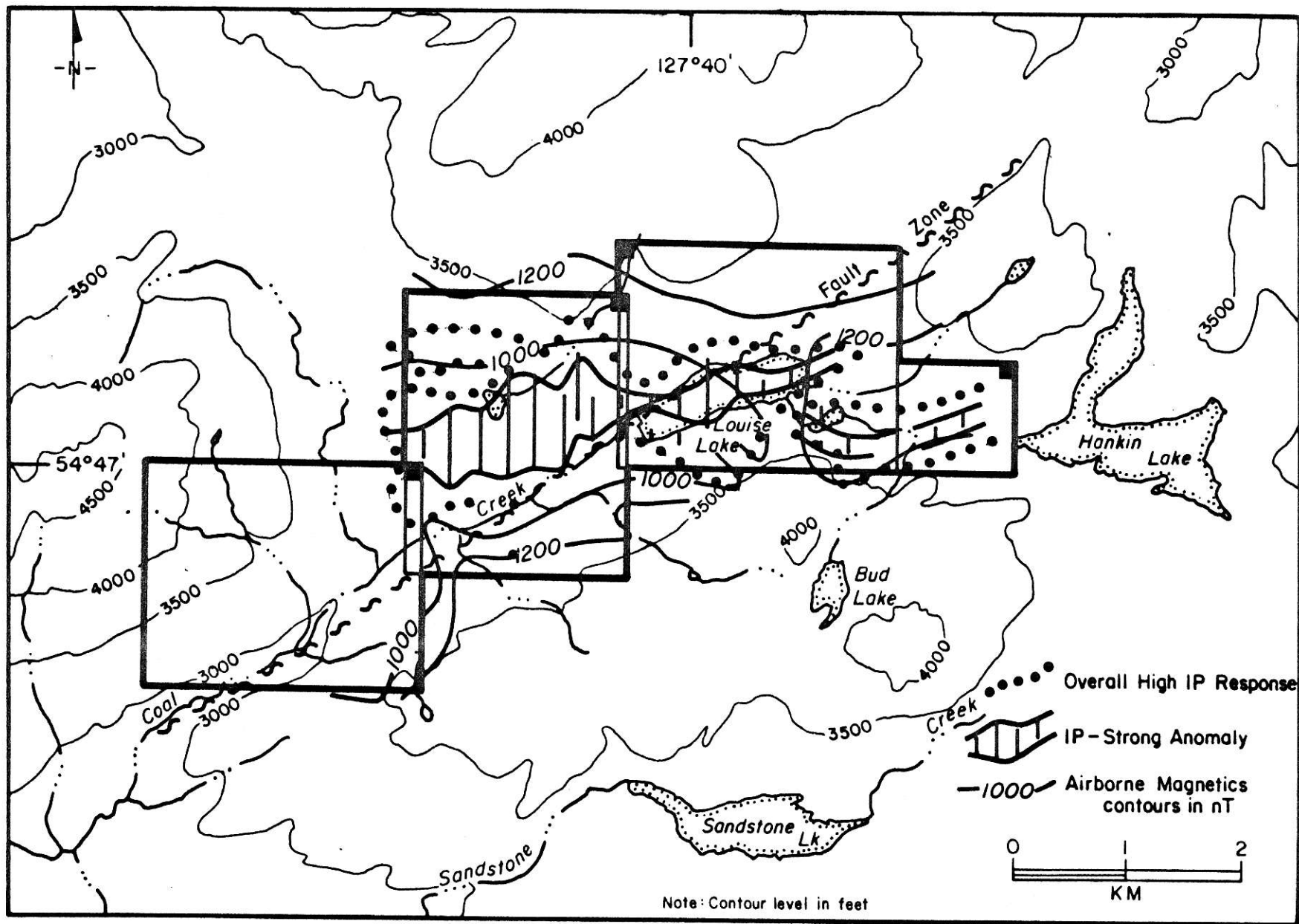


FIGURE 5 - GEOPHYSICAL RESPONSE

of the lake includes an area of argillically altered porphyritic granodiorite.

Mineralization

The principal known mineralized zone on the property underlies a low hill 800 metres west of Louise Lake. Several trenches expose intensely altered feldspar porphyry and possibly related acidic volcanic rocks. The intensity of quartz-sericite alteration makes it difficult to differentiate between intrusive and extrusive phases throughout much of this area.

Sulphide mineralization, developed within and adjacent to the southern margin of the feldspar porphyry intrusion, consists principally of pyrite (5-10% by volume) which occurs as disseminations, fracture fillings and in 2-4 mm wide quartz veinlets. Minor molybdenite is present and copper minerals include tennantite and lesser chalcopyrite. Tennantite is the arsenic end member of tetrahedrite and its presence has been confirmed by petrographic work and the incidence of higher arsenic values associated with most of the better grade copper sections in drill cores.

Where exposed in trenches and in drill cores, density of fractures and quartz veinlets averages one per 2.5 cm. Fractures and quartz veinlets are nearly vertical and have preferred orientations of north, east-northeast and northwest. Some true stockworks are present, particularly marginal to an east-west, moderately north-dipping fault zone which extends through the southern trenched area.

Better copper and gold grades obtained from sampling trenches and drill cores are near the southern limits of the trenched and drilled area. A good example is Corona drill hole 89-18 in which the last 26.4 metres returned values of 0.41% copper and 0.012 oz/ton gold. An examination of drill core from this section disclosed the presence of locally abundant secondary or supergene chalcocite as coatings on pyrite.

A compilation of copper and gold values obtained from trench and drill core sampling is shown in contoured form on Figure 6. This diagram shows both copper and gold values increasing toward the southern limits of the area tested to date.

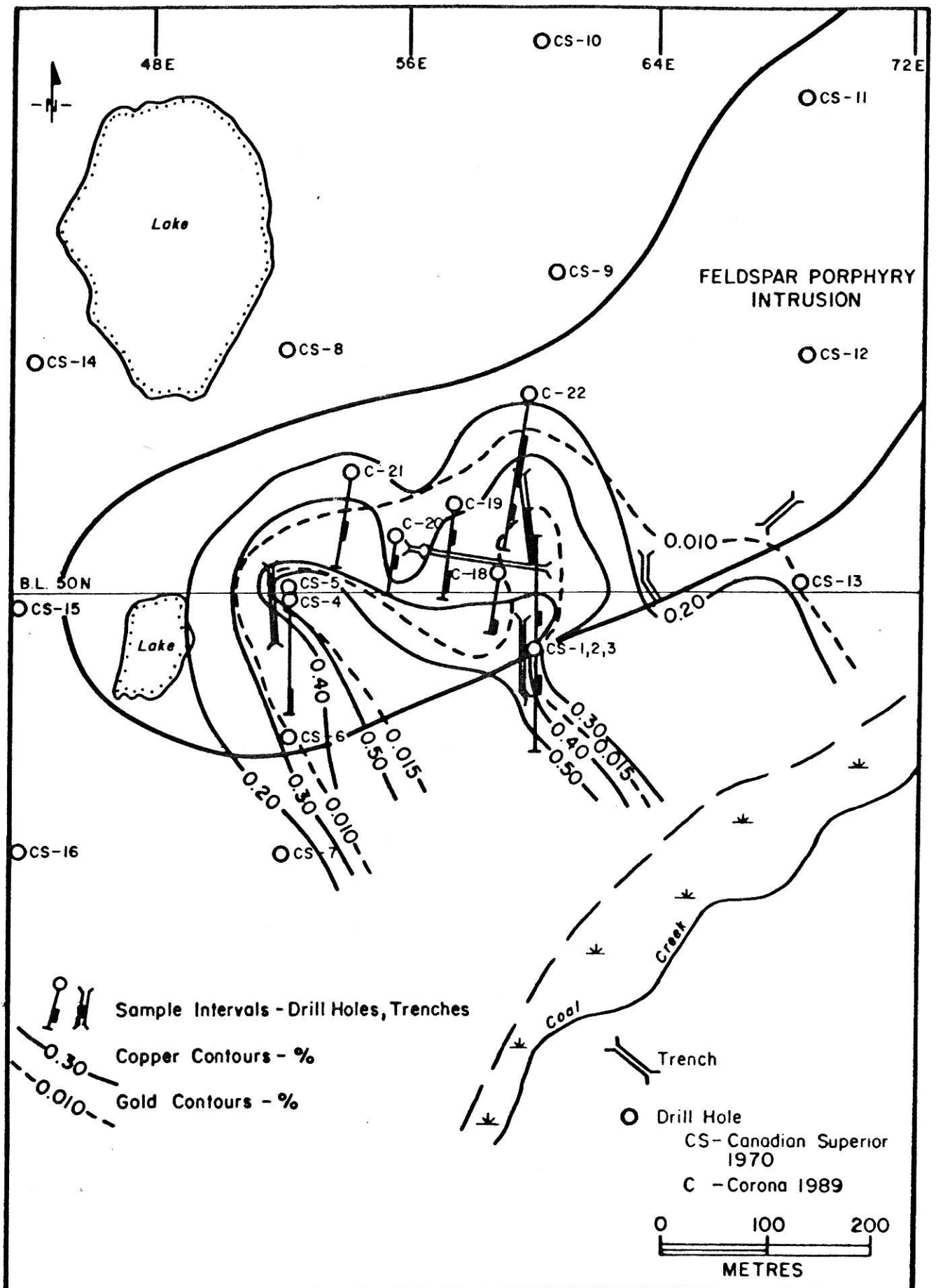


FIGURE 6 - COPPER AND GOLD IN BEDROCK

Geochemical Signatures

Results of soil geochemistry within and adjacent to the principal zone tested to date are shown on Figure 7. Better copper values (+100 ppm - range up to 3800 ppm) are most prevalent between the southern limits of the area of trenching and drilling and Coal Creek, corroborating the interpretation of values obtained from trench and core sampling. The copper in soils anomaly is open to the southwest which is probably a reflection of glacial smearing.

Better gold values in soils (+50 ppb - range up to 720 ppb) are more widespread and include part of the trenched area but are also coincident with higher copper values toward Coal Creek.

Higher zinc values in soils (+200 ppm - range up to 1030 ppm) border the copper and gold anomalies on the west (Figure 7).

CONCLUSIONS AND RECOMMENDATIONS

The Louise Lake prospect exhibits features typical of classic or stock-related porphyry deposits in west-central British Columbia. These features include evidence of multiple intrusion (the apparently late phase quartz-eye feldspar porphyries within and adjacent to the main zone and a possible breccia pipe west of Louise Lake) and the development of closely spaced fractures and quartz veinlets and contained sulphides in an apparent annular zone within and marginal to a high level intrusion.

The area tested to date is coincident with the zone of highest IP response. The intensity of quartz-sericite alteration and the presence of abundant pyrite in bedrock underlying the IP anomaly is typical of pyrite haloes developed marginal to other porphyry deposits in the general area. Increasing copper grades toward the southern edge of the IP anomaly, evident at Louise Lake, is also a feature common to other deposits where economic grades are marginal to zones of highest IP response.

The area between the trenches, previous drill holes and Coal Creek represents the best untested target on the Louise Lake property. Several inclined holes of 300 metres length are recommended to test this area.

Other targets on the property include the faulted extension of the IP anomaly beneath and adjacent to Louise

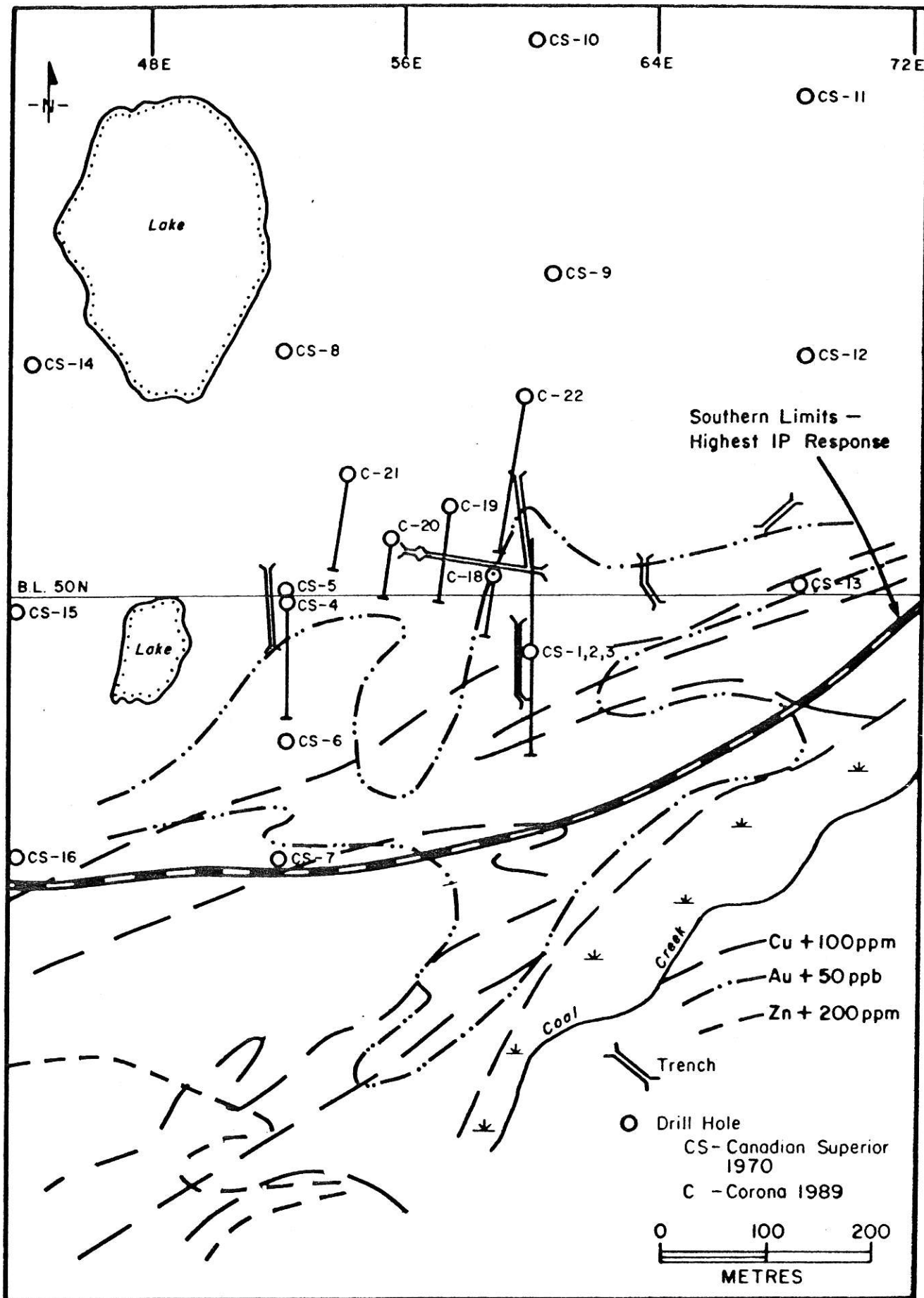


FIGURE 7 - SOIL GEOCHEMISTRY

Lake. The presence of argillically altered and pyritized rocks along the north shore of Louise Lake may be reflecting a more widespread sulphide system under the lake which should be tested by several inclined drill holes during the winter months.

Secondary, untested targets include the area east of Louise Lake where higher IP response is partly coincident with poorly exposed, argillically altered, porphyritic granodiorite and the area north of the main IP anomaly and north of the main zone. Both of these areas should be further investigated by soil geochemistry and geophysics prior to drill testing.

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APPENDIX - RESULTS OF DIAMOND DRILLING

1970 Canadian Superior Drilling Program

Diamond drilling by Canadian Superior consisted of 17 holes totalling 2021 metres. 16 holes were drilled on the main zone west of Louise Lake; hole 'A' (#17) was drilled for assessment purposes northeast of the lake. Four holes were inclined at -45° , the remainder were vertical. Drill hole locations are shown on Figures 6 and 7 as CS-1 to -16.

Canadian Superior drill core samples were analyzed essentially for copper and molybdenum. Partial re-sampling of holes 3, 4, 5 and 10 was undertaken in 1986 by previous property owners L.B. Warren and E.A. Shaede - samples were analyzed for 30 elements by ICP; gold values were determined by fire assay.

Corona sampling in 1987 involved the collection of virtually entire sections of previously split core; continuous sample intervals ranged from 3 to 7 metres. Two or three representative pieces of core per sample interval were retained and stored in Smithers. Samples collected were analyzed by ICP methods; gold was determined by atomic absorption.

Some gaps in the Corona sampling are evident in holes 3 and 5. These probably reflect previous sampling by Warren and Shaede, results of which have been substituted where appropriate.

The following summary includes only those sections of drill core containing more than 2000 ppm copper. Note that values listed for copper and gold over specific hole intervals are arithmetic averages and not weighted averages.

<u>Hole CS-1</u>	-45° @ 180°	153.0 metres TD
12.5 - 53.9m	(41.4m)	(9 samples; 3.7-6.3m sample intervals)
	3010 ppm Cu	(0.30%)
	162 ppb Au	(0.005 oz/ton)
<u>Hole CS-2</u>	-90°	120.7 metres TD
19.4 - 55.0m	(35.6m)	(8 samples; 3.5-5.5m sample intervals)
	2965 ppm Cu	(0.30%)
	149 ppb Au	(0.004 oz/ton)

Hole CS-6 -90° 107.3metres TD
 9.8 - 36.5m (26.7m) (7 samples; 4.2-5.8m sample intervals)
 2929 ppm Cu (0.29%)
 223 ppb Au (0.006 oz/ton)
 57.3 - 75.6m (18.3m) (4 samples; 4.5m sample intervals)
 2595 ppm Cu (0.26%)
 201 ppb Au (0.006 oz/ton)

Hole CS-7 -90° 61.8 metres TD
 No significant Cu or Au values

Hole CS-8 -90° 107.0 metres TD
 No significant Cu values; 64 - 240 ppb Au

Hole CS-9 -90° 93.9 metres TD
 No significant Cu values; 88 - 230 ppb Au

Hole CS-10 -90° 92.7 metres TD
 No significant Cu or Au values

Hole CS-11 -90° 106.7 metres TD
 No significant Cu or Au values

Hole CS-12 -90° 104.9 metres TD
 No significant Cu or Au values

Hole CS-13 -90° 106.7 metres TD
 No significant Cu or Au values

Hole CS-14 -90° 107.3 metres TD
 No significant Cu or Au values

Hole CS-15 -90° 106.7 metres TD
 No significant Cu or Au values

Hole CS-16 -90° 106.7 metres TD
 No significant Cu or Au values

Hole 'A' (-17) -45° @ 180° 199.0 metres TD
 Northeast of Louise Lake

24 - 25m - 62 ppm Cu;616 ppm Pb;1159 ppm Zn;187 ppm As
 132-136m - 2340 ppm Cu;817 ppm As;148 ppm Sb;0.6 ppm Ag

1989 Corona Drilling Program

Corona drilling consisted of five inclined holes totalling 916 metres. These are shown as holes C-18 to -22 on Figures 6 and 7.

All holes were drilled at -60° and azimuths of 189° . All core was sampled and sample intervals ranged from 0.6 to 4.7 metres with an overall average of 3 metres. Samples were analyzed for 30 elements by ICP; gold was determined by atomic absorption.

The more significant intersections are listed below and include only those hole sections containing more than 2000 ppm (0.20%) copper.

<u>Hole C-18</u>	-60° @ 189°	121.0 metres TD		
3.7 - 121.0	(117.3m)		0.25% Cu	0.008 oz/ton Au
including 94.6-121.0	(26.4m)		0.41% Cu	0.012 oz/ton Au
<u>Hole C-19</u>	-60° @ 189°	185.0 metres TD		
3.7 - 182.0	(178.3m)		0.24% Cu	0.008 oz/ton Au
including 121.1-170.8	(49.7m)		0.34% Cu	0.011 oz/ton Au
<u>Hole C-20</u>	-60° @ 189°	121.0 metres TD		
33.2 - 55.9	(22.7m)		0.26% Cu	0.010 oz/ton Au
<u>Hole C-21</u>	-60° @ 189°	185.0 metres TD		
95.4 - 109.5	(14.1m)		0.32% Cu	0.012 oz/ton Au
<u>Hole C-22</u>	-60° @ 189°	306.9 metres TD		
9.1 - 306.9	(297.8m)		0.20% Cu	0.007 oz/ton Au
including 86.0-110.6	(24.6m)		0.29% Cu	0.011 oz/ton Au
117.7-183.0	(65.3m)		0.29% Cu	0.011 oz/ton Au

Note: Cu and Au values converted from ppm and ppb respectively

LOUISE LAKE PHOTOGRAPHS



Looking northeast up Coal Creek and beyond Louise Lake along trace of major east-northeast fault zone marked by linear swamps. Note "kill zone" marginal to Coal Creek in foreground. Trench area' to left.



Looking northwest over area of trenching west of Louise Lake.

LOUISE LAKE PHOTOGRAPHS



Looking southwest - Louise Lake on left, trench area beyond lake. Note gossans on north side of fault zone marked by linear swamp.



Southernmost trench - note density of quartz veinlets and fractures in quartz-sericite altered host rock (feldspar porphyry).

LOUISE LAKE PHOTOGRAPHS



Core from Corona drill hole 89-18 - includes part of better mineralized section at end of hole (94.6-121 metres - 26.4 metres - 0.41% copper, 0.012 oz/ton gold).



