

Consulting Geologist

1410 Wende Road  
Victoria, B.C. V8P 3T5  
(604) 477-0419

Fax: 604-477-0419

June 26, 1995

TO: A.W. APPLGATH  
R.T HEARD

RE: BAND, TIME, SAD MINERAL CLAIMS - STEWART, B.C. AREA  
- B.C. GOVERNMENT REGIONAL GEOCHEMICAL SURVEY RESULTS

Earlier this month, stream sediment geochemical data for the Terrace and Nass River map-areas were released by the Provincial Geological Survey Branch. This essentially was a re-release of data pertaining to samples originally collected in 1978 and for which analyses for major elements, base metals, uranium and a few trace elements were published in 1979. No analyses for gold were undertaken at that time and the recent release is part of an ongoing program involving re-analysis of archived samples for a large part of the Province.

As the name implies, these are regional surveys involving the collection of stream sediment samples from sites approximately 6 square miles apart.

The Nass River (103P) map sheet includes the Alice Arm, Anyox and the southern part of the Stewart camps, including Red Mountain and the BAND, TIME and SAD properties. Comments below refer to results of stream sediment samples collected from within and adjacent to the three properties.

#### BAND

Six sample sites in this area include two from drainages in the central claims area. One of these, from a drainage cutting through the granite intrusion, returned highly anomalous values (+98th percentile) for gold (78 ppb), arsenic (54 ppm), molybdenum (27 ppm) and tungsten (30 ppm). A sample from the second drainage contained 93.5 ppm arsenic, 20 ppm lead and 10 ppb gold.

Sample data are also available for north and south flowing drainages, the headwaters for which are between 0.5 and 1 mile east of the eastern property boundary. A sample from the lower reaches of the north flowing drainage returned the highest gold value (1290 ppb) in the entire Nass River map

sheet but was not accompanied by anomalous values for other elements. The sample from the upper reaches of the south flowing drainage contained 120 ppb gold but values for other elements with the exception of silver (1.5 ppm - +98th percentile) were low.

The headwaters of the two aforementioned drainages occupy a topographically lower area on the down ice side of Banded Mountain (central to the BAND claims) and the source of the anomalous gold values is believed to be glacial debris derived from the area of the current BAND claims.

#### TIME

All five sample sites in the eastern and western parts of the TIME claims contain anomalous values for several elements. Three of the five samples returned +98th percentile values for gold (up to 56 ppb), silver (up to 2.5 ppm), arsenic (up to 174 ppm), lead (up to 45 ppm), zinc (up to 410 ppm), copper (up to 148 ppm) plus anomalous values for molybdenum, tungsten and barium.

These results are similar to those obtained from 1994 stream sediment sampling and lend further credence to the prospective nature of this ground for both gold and volcanogenic massive sulphide mineralization.

#### SAD

Only two samples were collected from the area of this claim. A sample from a creek north of, and across the divide from, the principal Saddle showings returned no significant values. The second sample, from a drainage emanating from the central claim area and south and east from the Saddle showings, contained anomalous lead, zinc, tungsten and gold (20 ppb) values. This drainage is thought to be in the general area of the Elkhorn showing, the exact position of which remains to be established. This showing has been described in old government reports as being a skarn zone containing local streaks of "finely divided, spectacular visible gold".

The recent release confirms and expands upon earlier data. These results, coupled with information obtained in 1994, will be of assistance in guiding exploratory work on the three properties in 1995.