

RED 1 MINERAL CLAIM
BABINE LAKE AREA, B.C.

LOCATION

Five kilometres north of Granisle mine, on the west shore of Babine Lake. Area is accessible by boat or aircraft; a system of old and new logging roads traverses the area.

MINERAL CLAIM

One modified grid claim comprising 20 units, staked by G. Auger and recorded May 28, 1984. Ownership is divided equally between G. Auger and N.C. Carter.

HISTORY

Area was originally staked in 1966 by Bethlehem Copper who undertook extensive IP and magnetometer surveys and drilled 9 holes totalling 3,178 feet in 1967. Exploration target was porphyry copper.

Canadian Superior acquired most of the same ground in 1972 and carried out IP, magnetometer and soil geochemical surveys.

GEOLOGICAL SETTING

Extensive overburden (depths of up to 60 feet) obscures bedrock except in the northern part of the present claim. Drilling data and a few outcrops suggest the area is underlain by a Lower Jurassic Hazelton Group sequence of fragmental volcanics and interbedded argillaceous sediments, which strike northeasterly and dip at moderate angles to the west. A small area of dioritic intrusive rocks cuts the layered sequence near the north boundary of the claim.

MINERALIZATION

A strong IP anomaly (Area "A"-Figure 2) drilled by Bethlehem was found to be due to the presence of graphitic sediments with sections of stringer and massive banded pyrite and pyrrhotite. Minor chalcopyrite was noted. Three holes in this area were vertical. Sulfide intersections ranged from 1 to 3 metres in length and one of the holes intersected seven sulfide zones to a depth of 500 feet.

Area "B" (Figure 2) was tested by two holes - the cause of the strong 600 metre linear IP anomaly was not adequately explained or tested.

No assays are available; it is probable that none of the core was analyzed for precious metals.

Soil geochemistry was found to be of little value because of extensive overburden.

A one foot wide quartz carbonate vein with galena, sphalerite, and chalcopyrite is exposed in a creek a short distance north of the claim.

POTENTIAL

The RED 1 claim covers an area of demonstrated massive sulfide potential in a well known mineral district. The lower part of Hazelton Group is known to host massive sulfides, examples include Anyox, New Moon (Morice Lake) and possibly Equity.

Previous work has only partially tested the potential of this particular area. Proximity to existing infrastructure renders this an attractive prospect.

PROPOSED TERMS

Recovery of costs to date (\$2200 - details provided on request) and a down payment of \$10,000, followed by payments of \$10,000 on the first two anniversary dates, then incremental payments over the succeeding 8 years. Payments to total \$1,000,000. A net profits interest of 15% to be retained by the vendors with advance payments of \$100,000 annually if no production is realized within ten years of the original agreement.

REFERENCES

Assessment reports 893, 4189.

B.C. Minister of Mines Annual Report 1967, pp.102,103.

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Note: It is advantageous to acquire more ground in the area - part of the agreement should involve G. Auger for contact claim staking at a cost of \$55 per unit including recording fees. Auger would also like to have first refusal on any line cutting.