

831000  
July 31, 1989

SNOWBIRD GOLD PROSPECT - Stuart Lake, B.C.  
X-Cal Resources Ltd.

### Summary and Conclusions

The Snowbird gold prospect is considered to be an exploration bet requiring significant additional expenditures to determine its viability. Negative aspects associated with the property include apparent structural complexity and attendant grade discontinuity and the restriction of better grade gold values to small intervals (+ 1 metre) within the overall quartz vein structure.

This property is not considered to be of interest to Equity at its present stage of exploration.

### Introduction

An examination of the Snowbird gold prospect was undertaken July 21 in the company of R.T. Heard and D. Hanson of Equity and S. Kennedy, B. Game and W. Heshka of X-Cal Resources Ltd.

The property is situated on the south shore of Stuart Lake 15 km west of Fort St. James. Good access is afforded by a gravel road off the Vanderhoof - Fort St. James highway.

### Previous Work

Gold-antimony mineralization was discovered in 1928. Significant exploration work, consisting of trenching, diamond drilling and underground development, was undertaken between 1939 and 1941 by Pioneer Gold Mines and Cominco and some 86 tons of sorted antimony ore was shipped.

Prism Resources drilled the property in 1981 and since 1986 X-Cal Resources has conducted considerable trenching and drilling of 3 known zones.

### Geological Setting

The Snowbird prospect is hosted in a typical late Paleozoic Cache Creek Group assemblage of argillites and limey sediments cut by serpentized and carbonatized mafic intrusions with locally abundant mariposite. The sequence trends northwesterly and is structurally complex, probably due to thrust faulting similar to that documented in the area of Pinchi Lake mercury mine, some 20 km north.

N.C. CARTER, Ph.D., P.Eng.  
CONSULTING GEOLOGIST

### Gold - Bearing Zones

Four principal gold-bearing zones are known on the property. Two of these, the North and Pegleg zones, are contiguous with the central Snowbird zone while the East zone is 800 metres northeast.

The Snowbird zone, exposed at portal sites of short, inclined adits, consists of quartz veins and stringers over widths of up to 2 metres. These dip shallowly to the north and contain stibnite bands and lenses and some arsenopyrite and pyrite.

The North zone is not exposed but drilling indicates it to be essentially an extension of the Snowbird zone. A similar shallow north dip is indicated by widely spaced drill holes. X-Cal reports a possible reserve of 250,000 tons grading 0.20 oz/ton gold - this figure assumes continuity down dip between the widely spaced inclined holes.

A surface plan of the North, Snowbird and Pegleg zones shows them to be lenticular and possibly en-echelon. It is entirely possible that the same conditions could exist down dip within the individual zones. Furthermore, while some good intersections in the North zone (0.20 - 0.35 oz/ton gold over lengths of up to 6 metres) have been reported, it is important to note that the significant gold grades within these intervals are associated with arsenopyrite in altered wallrock which constitute only a small portion of the overall structure.