

ARCHER, CATHRO

& ASSOCIATES (1981) LIMITED

CONSULTING GEOLOGICAL ENGINEERS

*BC
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RECORDED

DATE 1988-04-11

MEGABUCK PROPERTY, HORSEFLY, B.C.

The Megabuck property is situated in central B.C., five miles by gravel road south of Horsefly, which is forty miles by paved highway from Williams Lake. The Megabuck gold-copper showing was discovered in 1973 while exploring for porphyry copper deposits and was drilled in 1974 and 1977 by Exploram Ltd. It was later restaked by several individuals and optioned to Placer Development, which drilled the showing in 1983 and 1984. Archer, Cathro explored most of the claim group between 1983 and 1987 on behalf of various clients and has now, in their own name, consolidated all of the claims into one property.

Most of the exploration since 1977 has been directed towards gold, particularly for Mesozoic QR-type skarn mineralization. However, the Megabuck mineralization is not similar to QR mineralization and there is no evidence of alkalic intrusions or associated skarn on the property. The Megabuck property hosts two gold-copper occurrences.

1. The Megabuck showing trends northeast and has been drilled to a depth of 130 feet. It is at least 780 feet long, 260 feet wide and is open along strike and to depth. Initial wide spaced drilling indicates reserves of 2.3 million tons grading 0.027 opt gold and 0.13% copper, with a higher

grade core which produced assays up to 0.08 opt gold. Outcrop is almost non-existent and no drill exploration has been conducted away from the surface showing. There are a number of geophysical targets nearby that warrant further exploration.

2. The Takom zone, situated one mile to the south, occurs in an area with no exposure and was found with geophysical surveys. Of the four holes drilled randomly, one intersected 35 feet grading 0.037 opt gold and 0.13% copper.

Recent remapping of the district by Andre Panteleyev of the B.C. Geological Survey Branch (Geological Fieldwork 1987, Paper 1988-1) has shown that the Megabuck gold property lies within a previously unrecognized, north-to northwest-trending Eocene graben, a geological setting that is unique in this part of the Quesnel Trough. This graben is probably related to the southern extension of the Pinchi Fault, which trends parallel and lies just to the west. The Tertiary sequence at Megabuck consists mainly of felsic, welded, crystal lapilli tuffs with some flows and epiclastic sediments which were produced by explosive felsic volcanism. Panteleyev also suggested that the prominent nearby periodic northeast-trending block faulting has the same Eocene age.

The gold mineralization at the Megabuck showing falls into two categories:

a) Porphyry

A porphyry style is earlier and more extensive. Chalcopyrite occurs as disseminations and in thin quartz veinlets and is associated with potassic flooding. Low amounts of gold occur in direct proportion to the copper.

b) Epithermal

An epithermal style is related to late stage quartz veining, brecciation, bleaching, and silicification accompanied by sericitic and argillic alteration. This style is particularly intense in localized areas within the Megabuck showing indicating that mineralization is related to structural breaks or permeable channels.

Almost all the drilling to date has explored the outcropping porphyry-style mineralization. Statistical analysis of the drill assays suggests that there are two distinct mineralized populations which relate directly to the porphyry and epithermal events. The data suggests that the epithermal system contains higher grade portions which have not yet been encountered.

The Megabuck mineralization and a number of coincident geophysical features have a northeast trend across the regional fabric of the hosting graben, suggesting that the mineralization is related to discordant structures.

This new Tertiary graben, and the Megabuck property in particular, are virtually unexplored. Because the basement rocks of the graben are Jurassic-Triassic mafic volcanics with a high regional background in gold and copper, there is excellent potential for epithermal gold deposits. It is probably more than coincidence that the historic Horsefly placer gold deposits coincide with the distribution of the Tertiary rocks.

An independent report by Giles Peatfield of MineQuest Exploration Associates Ltd., dated December, 1986 and revised in November, 1987 (which is attached), recommends an exploration program totalling \$855,000 including the

next stage which consists of a \$185,000 program of geophysics and drilling. Peatfield's report was written prior to the Panteleyev's recognition of the Tertiary graben.

OPTION TERMS

Archer, Cathro has assembled the claims in the Megabuck property into a single package of 98 units, which has required nine option and amending agreements with the various owners. Subject to non-participation of several parties with minor working interests, Archer, Cathro will acquire a 100% working interest in the property subject to a 20% NPI on the northern half of the Megabuck zone and a 10% NPI on the southern half of the Megabuck zone and on the Takom zone. Archer, Cathro is willing to assign all of its interest in the property for:

- (a) a payment of \$5,000;
- (b) a 5% NPI on the Takom zone mineralization; and,
- (c) a 0.5% NSR on the Megabuck zone, to a maximum limit of \$500,000 consisting of minimum yearly payments of \$25,000 beginning December 31, 1994 or the end of the first year following production. These payments will be considered advance royalty payments if there has been no production.

The optionee would also be obligated to pay the attached chart of payments related to the underlying options and would commit to maintain these options or

return the property back to Archer, Cathro, portion by portion, in sufficient time to ensure that no default occurs and with a minimum of two years assessment credit. A condition of one of the underlying agreements requires a payment of \$60,000 worth of shares in a particular junior mining company.

If this property is of interest to you, we will be pleased to provide additional data.

Yours truly,

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

A handwritten signature in cursive script that reads "Charles A. Main".

Charles A. Main

/mc

Option payments on the Megabuck Property

Date	Megabuck,MB (Rebagliatti)	LP,LS (Scholtes)	Ravioli,Goldenuf (Big Rock)	AB (Babiy)	TOTAL PER YEAR
May 17, 1988		2,500.00			
June 1, 1988				1,500.00	
December 31, 1988	7,500.00			3,500.00	15,000.00 1988
May 17, 1989		10,000.00			
December 31, 1989	60,000.00 (stock)				
December 31, 1989	25,000.00			6,000.00	101,000.00 1989
May 17, 1990		10,000.00			
May 31, 1990			10,000.00		
December 31, 1990	25,000.00			8,000.00	53,000.00 1990
May 17, 1991		10,000.00			
May 31, 1991			10,000.00		
December 31, 1991	25,000.00			9,000.00	54,000.00 1991
May 17, 1992		10,000.00			
May 31, 1992			10,000.00		
December 31, 1992	25,000.00			10,000.00	55,000.00 1992
May 17, 1993		10,000.00			
May 31, 1993			10,000.00		
December 31, 1993	25,000.00			11,000.00	56,000.00 1993
	192,500.00	52,500.00	40,000.00	49,000.00	334,000.00 TOTAL

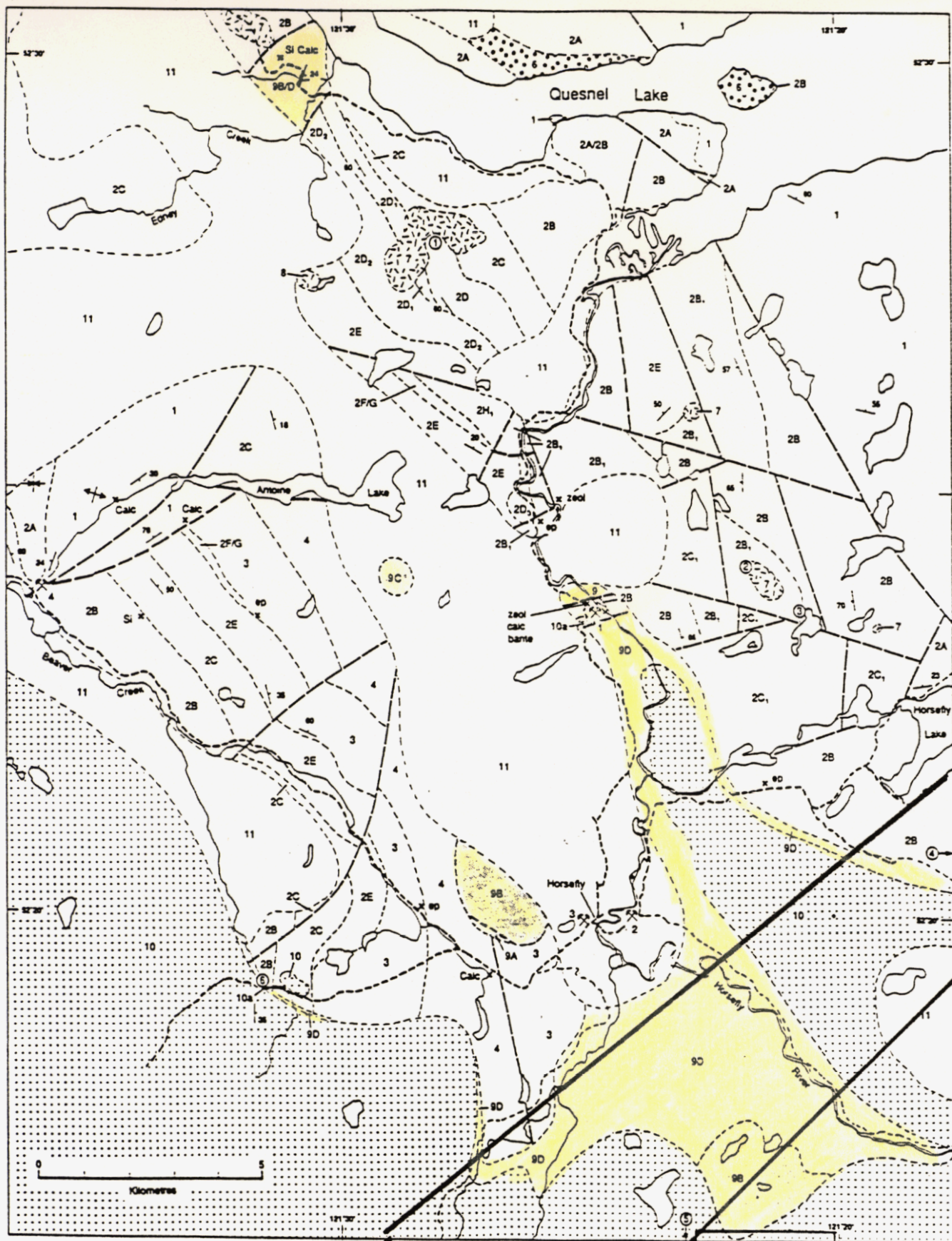


Figure 1-11-2. Geology of the central Quesnel terrane between Horsefly and Quesnel lakes.

PROMINENT AEROMAGNETIC LINEARS

★ MEGABUCK

★ TAKOM

LEGEND (also see Bailey, this volume)

QUATERNARY

PLEISTOCENE AND RECENT

11 Glacial and fluvial deposits; alluvium

TERTIARY

MIOCENE

10 Grey to black plateau basalt (alkali olivine basalt); 10a - basal white quartz-cobble conglomerate and gravel

EOCENE

9D Grey, pale mauve, olive and tan flows, sandstone and conglomerate. Includes 9A - hornblende andesite, 9B - plagioclase crystal ash tuff, 9C - biotite latite, 9D - lacustrine siltstone, sandstone and conglomerate (see Figure 1-11-3)

JURASSIC

PLIENSCHACHIAN?

6 Cobble conglomerate: clasts of chert, quartzite, limestone, sandstone; carbonaceous shale and sandstone

SINEMURIAN

4 Maroon and grey vesicular, zeolitized, amygdaloidal alkali olivine basalt, may contain analcite

3 Maroon and grey polyolithic breccias; clasts of mafic and intermediate composition including latite and other feldspathic rocks; rare monzonite clasts. Locally feldspathic sandstone, limestone lenses and limestone-matrix breccia

TRIASSIC

NORIAN

2H₁ Feldspar-lath, pyroxene-phyric basalt; locally breccia with limestone matrix

2F/G Dark grey to brown, fetid mafic sandstone and siltstone, calcareous siltstone, limestone breccia

2E Analcite-bearing maroon and green-grey alkali basalt, locally feldspathic; minor crystal lithic ash tuff

2D Plagioclase and pyroxene-phyric basalt, in part autobrecciated. Contains alkalic and intermediate composition clast breccia. Includes 2D₁ - fine-grained sandstone, siltstone; 2D₂ - pyroxene-phyric basalt flows and breccia, mafic polyolithic breccia; 2D₃ - sparse pyroxene-phyric aphanitic basalt

2C Polyolithic grey, grey-green and purple mafic breccia, pyroxene-rich greywacke, minor feldspathic clasts. Includes 2C₁ - monzonite and latite clast-bearing breccia, possibly equivalent to Unit 3

2B Dark green and maroon pyroxene-phyric alkali basalt, commonly vesicular-amygdaloidal; locally breccia, pillow breccia with limestone lenses and mafic wacke. Includes 2B₁ - plagioclase microlite-bearing basalt

2A Green and dark grey pyroxene-phyric alkali olivine basalt and alkali basalt, flows, pillow lava and pillow breccia

CARNIAN AND (?) YOUNGER

1 Grey to dark brown siltstone and sandstone, volcanoclastic towards top of unit, rare thin chert beds and limestone lenses

8 Grey hornblende quartz diorite and granodiorite

7 Grey and pink fine to medium-grained diorite, monzodiorite, syenodiorite, monzonite and syenite, hornblende porphyry dykes

SYMBOLS

Map unit contact	.....
Fault - mapped and inferred	---
Major road	.....
Bedding attitude	..... 60°
Fold axis	..... X
Historic placer workings	..... X
Hobsons hydraulic mine	..... 1
Wards Horsefly mine	..... 2
Miocene shaft	..... 3
Antoine Creek	..... 4
Mineral prospects	..... O
Shiko L	Au, Cu 1
Kwun L	Au, Cu 2
Beekeeper	Au, Hg 3
Lemon L	Au, Cu 4
Megabuck	Au, Cu 5
Old adit	Au, Cu, Ag 6
Alteration zones sampled	..... X
Propylitic-epidote, calcite,	..... Ep
chlorite, garnet, pyrite,	
chalcopyrite, tremolite	
Zeolite and calcite	..... Zeol
Calcite and quartz	..... Calc
Silicification Si

MineQuest

Exploration Associates Ltd.

November 6, 1987

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(604) 669-2251

Mr. L. Weisdorn
President
BIG ROCK GOLD LTD.
303-800 West Pender Street
Vancouver, B.C.
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Dear Mr. Weisdorn:

I have reviewed the recently prepared report by Delta Geoscience Ltd. dated October 13, 1987, concerning the geophysical program completed on the Megabuck property near Horsefly, B.C. With reference to this work and to my original qualifying report dated December 1986, I have the following comments:

1. The Megabuck property continues to be an attractive exploration target for bulk tonnage gold-copper mineralization and is worthy of further testing.
2. Some aspects of my original Phase I recommendations do not appear to have been completed. I strongly recommend that these surveys (particularly geochemistry) form an early part of an amended Phase II program.
3. The magnetometer survey has confirmed the presence of several anomalous areas, one of which coincides roughly with the principal known zone of gold-copper mineralization (the Megabuck Zone).
4. The I.P. (included polarization) surveys were unfortunately restricted in area. They have, however, demonstrated a strong chargeability response in the area of the known disseminated gold-copper mineralization, adjacent to a strong positive magnetic anomaly. It is important to note that the chargeability anomaly is apparently more extensive than the area of gold-copper mineralization, suggesting that the response is to sulphide content and implying a pyrite halo around the better grade zone.

5. The VLF surveys appear to outline several major structures, but more interpretation would be advisable before judging the value of the work.
6. Geophysical responses in the Takom Zone area are not as well defined, but there are situations there which warrant trenching and percussion drilling.

Based on the above points, I recommend a revised Phase II program as follows:

Phase II (Amended):

- 1) Compilation of geological data available to date.
- 2) A formal survey of the claim locations.
- 3) Studies of glacial overburden to determine ice transport direction. Geochemical orientation sampling directed by a qualified geochemist.
- 4) Extension of the new grid by 500 metres to the (grid) east.
- 5) Based on the results of 3) above, systematic geochemical sampling of areas of interest, especially 'down ice' from geophysical responses. Such sampling might be better done on north-south rather than east-west lines.
- 6) Extension of magnetometer coverage to the entire expanded grid area.
- 7) Expansion of I.P. coverage to the entire grid area, using a survey system designed specifically for this property, based on the recent results. This I.P. technique should allow for better coverage in the Megabuck Zone area, perhaps by using an alternate line orientation.
- 8) Backhoe trenching in areas of coincident or adjacent magnetometer and I.P. anomalies, especially those with geochemical signatures.

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- 9) Reverse circulation percussion drilling of extensions of the Megabuck Zone and of other targets developed during this program. These holes should be shallow (maximum 50 metres) to allow more holes and thus better coverage.
- 10) Assessment of the results of Phase II. Contingent on this assessment, proceed to Phase III.

Phases III and IV would continue to be as recommended in my report dated December 1986.

COST ESTIMATE
Phase II (Amended) - Surface Surveys,
Initial Trenching and Drilling

1) Geological compilation	\$2,000
2) Claim survey	5,000
3) Overburden surveys, geochemical orientation	8,000
4) Grid extension	5,000
5) Geochemical surveys	25,000
6) I.P. and magnetometer surveys	40,000
7) Backhoe trenching	25,000
8) Percussion drilling; 1,000m @ \$35/m	35,000
9) Analyses	5,000
10) Supervision, engineering and reporting	10,000
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	Total \$160,000
	Allow \$185,000

Permission is hereby granted to use this letter in its entire and unedited form in a Statement of Material Facts or other such submission. Written permission of MineQuest Exploration Associates Ltd. must be obtained before release of any quotation or summary.

Yours truly,

G. R. Peatfield

G.R. Peatfield,
Ph.D., P.Eng.



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