

Memorandum

Vancouver, B. C.
1982-10-21

RETURNING OF THE COURTE-RILEY
PROJECT -- M481

EARL D. DODSON:

The purpose of the memorandum is to obtain authorization to return the Courte-Riley (M481) project and all of the associated claims to the owners JMT Services Corp.

The property is located 30 kilometers northwest of Queen Charlotte City (Fig. 1) and consists of 60 units (3100 acres). Our total expenditures to date have been \$674,700 Can.

The property was optioned from JMT Services in 1977 because it covers the Courte Antimony showing which has some gold values (notably one sample running .4% Sb and .04 oz/ton Au over 327 feet along a creek). The gold and antimony are associated with a series of quartz veins in a highly altered (clay-carbonate alteration) andesite agglomerate.

The claims are underlain by the Jurassic Yakoun formation which is a series of andesite tuffs and agglomerates with interbedded argillites (Fig. 2). A Cretaceous diorite cuts this sequence and probably lies close to the surface beneath the claims. Overlying this sequence is the Tertiary Masset formation which consists of rhyolite and basalt dykes and flows. A small feldspar porphyry intrusive located near the Courte Antimony showing is also probably Tertiary in age.

The Courte showing is bounded north and south by faults which strike north-westerly across the claims. Along this structure geochemically anomalous (Fig. 3) gold and arsenic values have been obtained from soils and rocks. These geochemical anomalies and the structure were tested with 6970 feet of diamond drilling in 15 holes (Fig. 2). The most significant intersections are outlined in Table 1 with our best result being 0.1 oz/ton Au over 3 meters. Relogging of the core in 1982 shows clearly that all of the intersections listed in Table 1 and all higher background values are associated with a clay-carbonate alteration zone near the contact between the andesite and diorite. The core provides excellent sections through this contact, and each time this altered zone was intersected higher gold values were obtained. The gold values in the unaltered diorite and andesite were typically 5 - 20 ppb while in the altered diorite and andesite were 50 ppb or more. A drill hole beneath the Courte showing did intersect some intrusive material within the altered zone which contained some gold values.

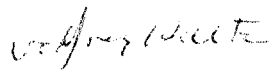
The structure hosting the Courte showing runs onto an adjacent property so a data exchange was arranged with the owners of the property (UMEX). The surface work and diamond drilling from the UMEX property confirms that they have the same type of mineralization and alteration on their claims as we have located. The only difference is their mineralization is hosted entirely by diorite.

My interpretation of the geology and mineralization of the Courte-Riley property is as follows:

A diorite plug was intruded along an old fault into the Yakoun andesitic agglomerates and tuffs. This fault was later reactivated and fluids circulated in this zone altering the rocks to clay and carbonate. The alteration is so intense that in some cases the rocks will fizz like limestones when HCl is applied. During this alteration, gold was mobilized into this zone so the zone as a whole has a higher gold background. Later quartz veining with antimony which may be related to Tertiary intrusive activity cut this zone and concentrated some of the gold in the quartz veins. Today we see the higher grade material in the veins that make up the Courte Antimony showing.

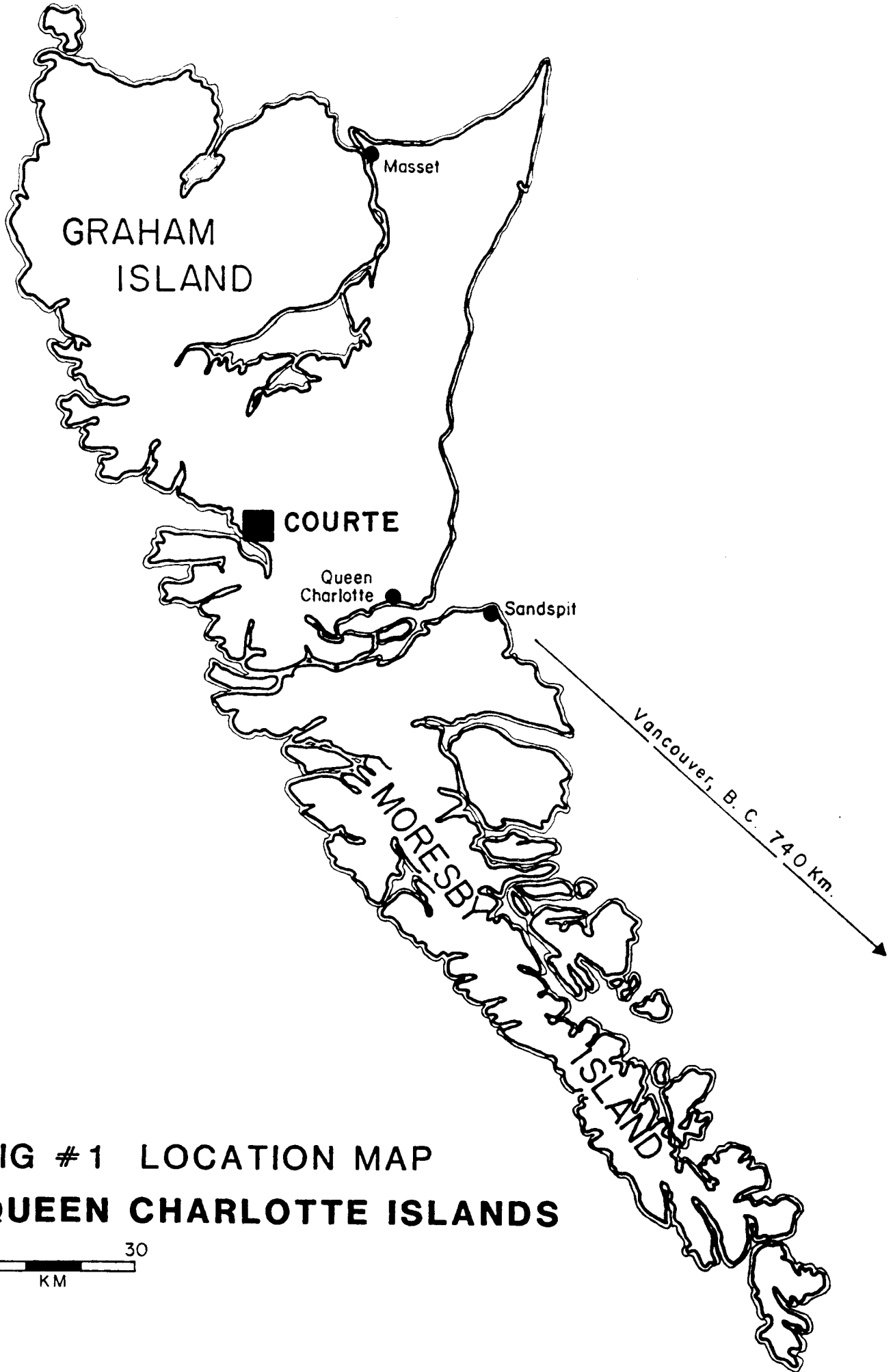
I conclude that this property has a higher background zone but an economic deposit does not occur on the property.

I, therefore, recommend we drop the claims and return the property to JMT Services.



G. WALTON

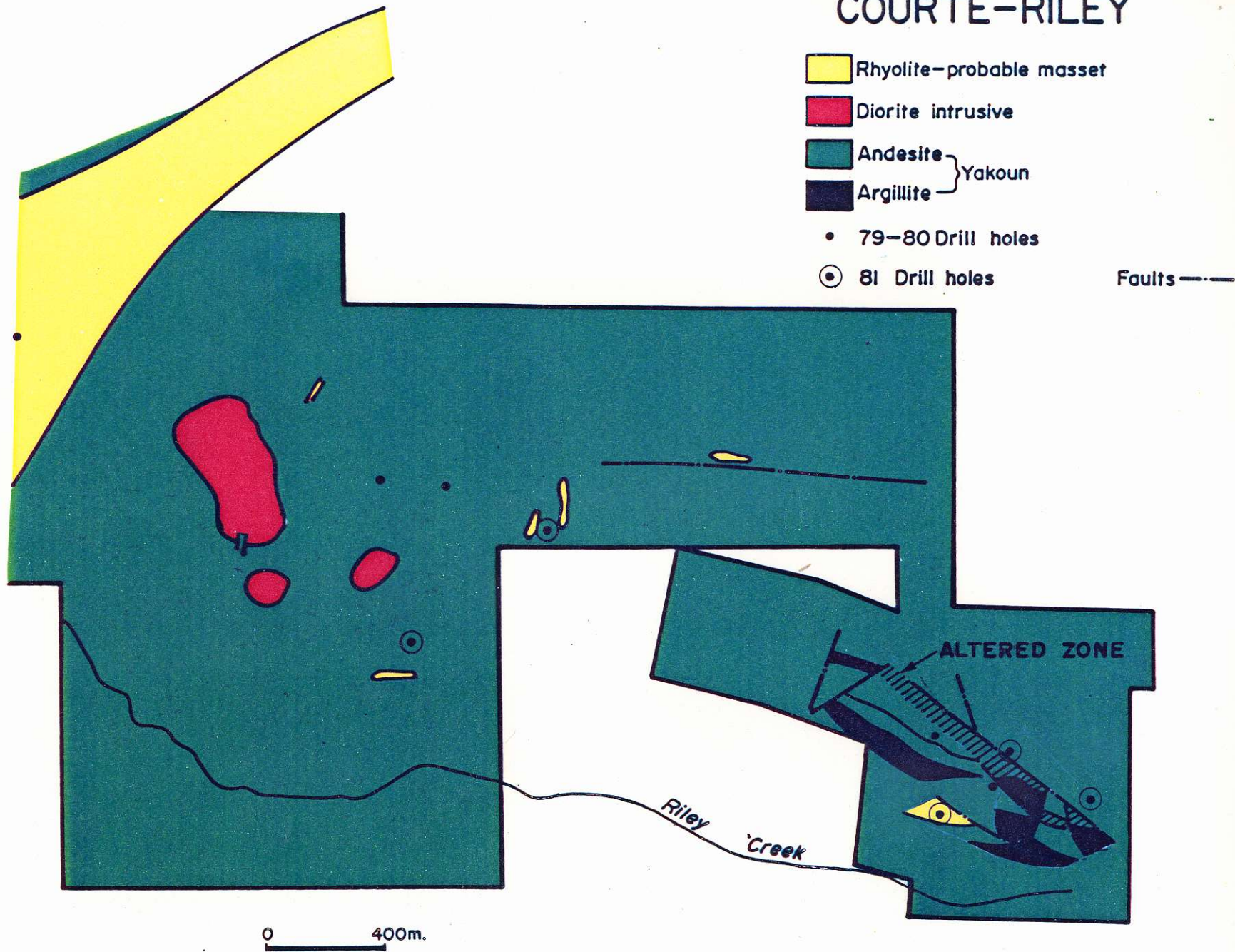
GW:am
Attachs.





**FIG #1 LOCATION MAP
QUEEN CHARLOTTE ISLANDS**

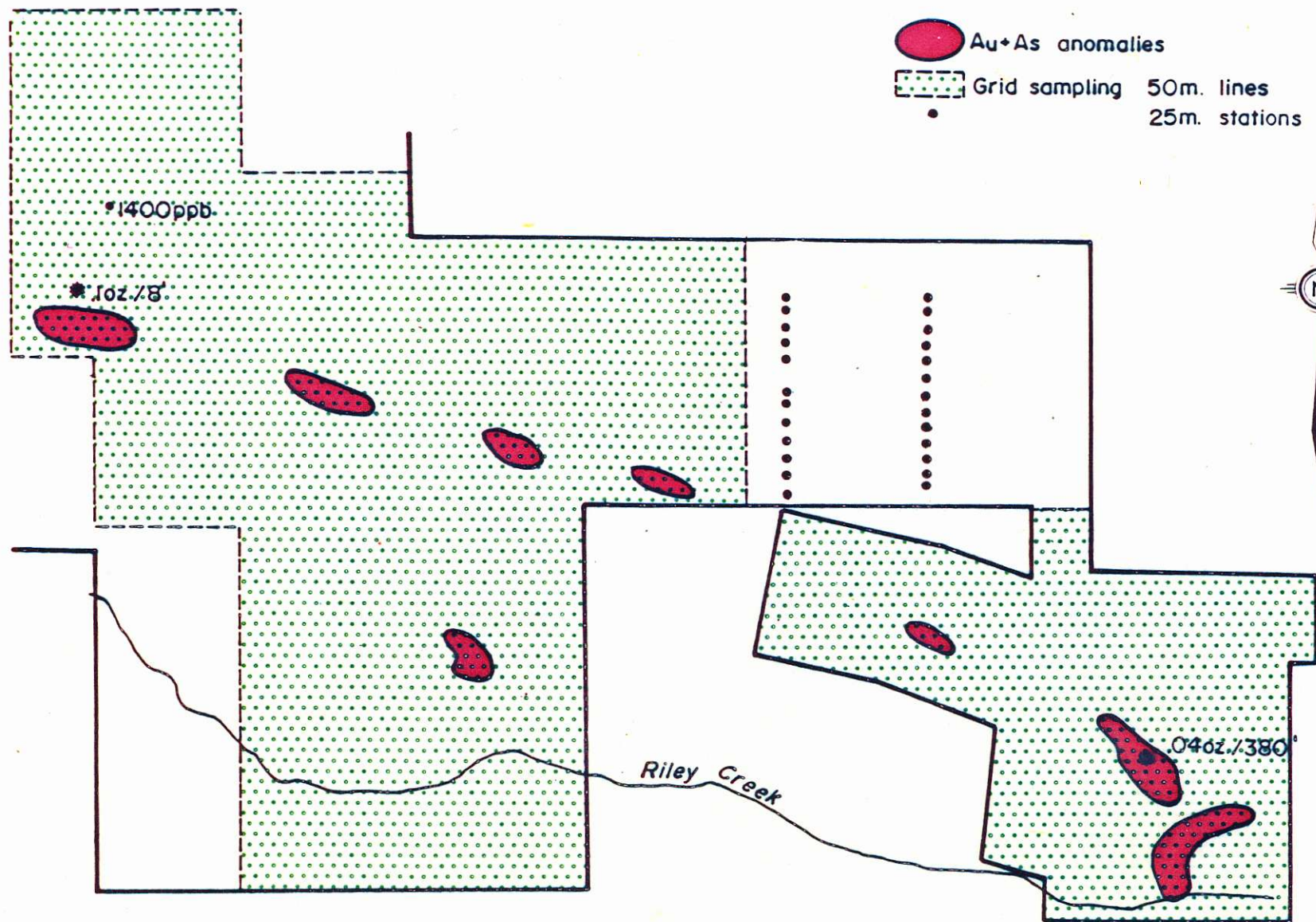


COURTE-RILEY



COURTE-RILEY

-  Au+As anomalies
-  Grid sampling 50m. lines
25m. stations



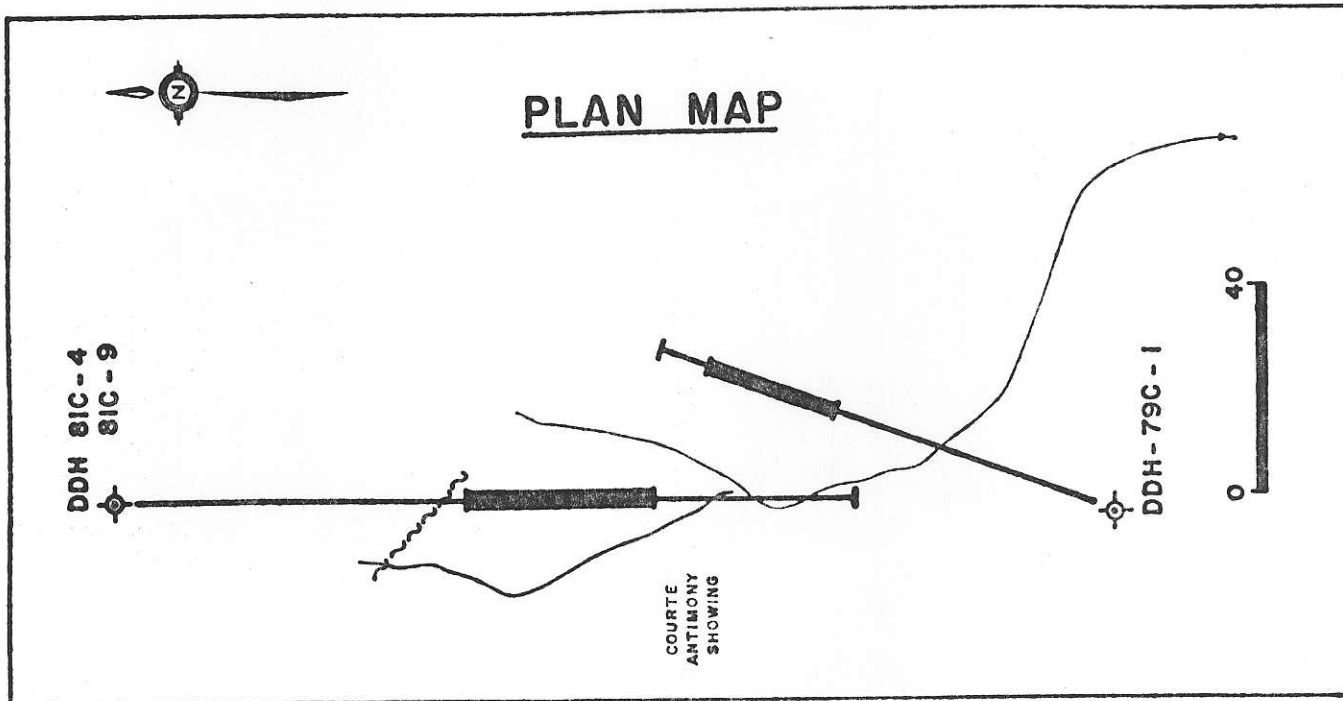
0 400meters

SIGNIFICANT INTERSECTIONS

<u>HOLE</u>	<u>FOOTAGE</u>	<u>THICKNESS</u> M	<u>AU ASSAY</u> Oz/TON	<u>ROCK TYPE - COMMENTS</u>
79-1	100 - 104	4	0.015	ANDESITIC AGGLOMERATE
	114 - 116	2	0.018	STRONG CLAY ALTERATION
80-1	50 - 54	4	0.023	ANDESITIC AGGLOMERATE
	60 - 78	18	0.009	STRONG CLAY ALTERATION
80-2	142 - 154	12	0.025	ANDESITIC AGGLOMERATE
	166 - 170	4	0.043	STRONG CLAY ALTERATION
	210 - 214	4	0.003	
80-3	54 - 78	16	0.022	ANDESITIC AGGLOMERATE AND
	182 - 286	4	0.014	SANDSTONE. CLAY ALTERATION.
	196 - 200	6	0.029	
81-9	122 - 124	2	0.01	GREY DACITE, GREY SILTSTONE,
	126 - 128	2	0.05	LOCALLY DIORITE.
	132 - 134	2	0.01	CARBONATE, CLAY ALTERATION
	151 - 154	3	0.10	INTENSE.
	157 - 159	2	0.03	
	179 - 183	4	0.02	BELOW SOL CREEK SHOWING
	199 - 201	2	0.01	
81.10	59 - 61	2	0.01	GREY FELSIC TUFF

COURTE PROJECT

M 481



CROSS SECTION (LOOKING EAST)

