

MONTHLY REPORT -
OCTOBER 1988

MR. EARL D. DODSON:

Much of the month of October was spent on work related to the **Goatfell project M586** (Sullivan Zn-Ag-Pb target) in southern B.C. A total of 16 days were devoted to work on the project; approximately 10 days were spent directly on the Goatfell prospect while 6 days were spent in regional exploration in the project area.

The second drill hole at Goatfell (DDH- Goat-2) was completed on October 19 at a depth of approximately 460m. The hole intersected a similar sequence of lower Middle Aldridge sediments as DDH-Goat-1. Like the first hole the sequence is pervasively altered. The most common alteration type is silicification/recrystallization of sandy beds and development of hairline to mm thick chlorite veins. Calcite concretions and carbonization of beds are slightly more prominent in DDH-2 than DDH-1. The amount of sulfides in both holes is similar with a number of 0.5-1m intervals containing up to 5% disseminated sulfides including sphalerite and galena.

The recognition of a marker bed in both holes allowed correlation of stratigraphy between holes. However, bed thickness appears to vary widely between the two closely spaced holes suggesting an active depositional environment. The marker correlation indicates that the subsurface dip is between 55-60° which matches that measured at surface. The recognition of the marker also places firm constraints on the depth to target Sullivan horizon. If the marker is the Louis marker then it is approximately 295m to the Sullivan horizon, if the marker is the Sullivan marker then it is 213m to the Sullivan horizon. Unfortunately Chevron does not have access to good examples of these two markers to enable a determination.

Due to flattening of DDH-Goat-2 with depth, the hole intersected a major fault (the Old Baldy Fault - at approximately 430m) above the projection of the Sullivan time horizon. Thus **the target horizon remains untested on the claim block.**

On October 13 and 14 a VLF crew provided by Formosa was utilized to run three lines across the supposed trace of the Old Baldy Fault. Two lines were run to the south of the DDH-Goat-1,2 site. The results suggest a

broad (100m) fault zone in the approximate position outlined by Leask's

mapping. A third line was run adjacent to the highway on the northern edge of the property. Though heavily influenced by culture, the best interpretation is that the fault crosses the road at Hazel Creek where it was projected by Hitzman based on regional data. A third drill site has been spotted utilizing the VLF results approximately 800 m south of the first site. The new hole would have a 75-80° dip to the west and is projected to intersect the Sullivan horizon at approximately 500m. While it was originally hoped that a third hole would be collared in 1988, Formosa have decided to defer participation in a hole until 1989.

Regional work in the Aldridge was also undertaken during the month. A property visit was made to the **Sullivan Two** prospect immediately SW of Creston with property owner Frank Whiting of Vancouver. The prospect contains a carbonate zone with slightly elevated lead levels in what appears to be lower Middle Aldridge formation. The Aldridge formation in this area has been metamorphosed to a low-grade phyllitic rock and appears to have undergone a complex, tight to isoclinal folding event. Surface exposures were not favorable for the presence of a major mineralized body of the Sullivan type.

Several days were spent prospecting and reconnaissance mapping to the NW of the Goatfell property in the **Kidd Creek area** (NTS 82 F/1). The area was identified from re-interpretation of the structural study by Mr. Clint Dahlstrom of the Aldridge formation, in combination with our new geologic data from Goatfell. This work indicated that a large area of lower Middle Aldridge or Lower Aldridge should subcrop immediately east of the Old Baldy Fault in the vicinity of Spider Creek, which follows the trace of the fault as it intersects Kidd Creek.

A land check revealed that Cominco holds a large block of claims (Kidd-Star group) to the west of the fault, on its supposed downthrown side. The ground to the east is open to staking. Logging roads in this area of interest were driven one weekend and limited traverses were made down several of the creeks in the area. This reconnaissance revealed that the outcropping section is typical of lower Middle Aldridge formation—presence of significant siltstone and argillite, presence of markers, etc. One new roadcut on the main Kidd Creek road approximately 1.2 km east of the Old Baldy fault (Spider Creek) contains a section of interlayered sandstones and siltstones. Several of the siltstones are extremely rich in iron sulfide resulting in a slope-covering ferricrete layer. The sandstones are bleached, recrystallized and contain minor chlorite veins in addition to

up to 8% pyrite (spotted disseminations) and minor chalcopyrite. They appear megascopically similar to much of the altered rock seen in the Goatfell drilling. Samples of both the sulfide-rich argillite and ferricrete and the altered and mineralized sandstones were submitted for analyses. Results were not available at months end.

In light of the data gathered, a block of 300 units (**Kidd group**) covering the area of interest to the east of Cominco's block was approved for staking late in the month. A crew was in the field by the week of October 24 initiating the staking. It is anticipated that the program will be complete by mid-November. The block is adjacent to the Cominco Kidd-Star group and extends eastward to cover all ground with the Sullivan horizon at reasonable depth (up to 1000 m below surface). This block should form the centerpiece of an aggressive exploration program in the Aldridge by Chevron in 1989.

Discussions were also undertaken during the month with Mr. David Wyklund of Creston. Mr. Wyklund controls the **Sky claims** which cover the northern extension of the favorable geology on the Goatfell property. Mr. Wyklund seemed receptive to a joint venture with Chevron and Mr. Earl Dodson will be following up my initial discussions with Mr. Wyklund.

Mr. Wyklund also controls the **Sun claims** near Kitchener, B.C. The property contains a number of high-grade, narrow quartz-galena-sphalerite veins with a roughly E-W trend cutting Middle Aldridge sediments. This block had been farmed out to Cominco who conducted geologic mapping, geochemistry and a UTM survey. Based on poor or inconclusive geophysical results Cominco backed out of the joint venture in 1987. The block appears to have geologic potential which could be tested relatively inexpensively with 2 or 3 drill holes. Mr. Wyklund wishes to farm out the block. I have indicated to Mr. Wyklund that Chevron would be interested in reviewing the data.

Mr. Wyklund also mentioned that he had staked the Kidd-Star Group and optioned it to Cominco. He showed me several rocks from the property which included massive tourmalinite, a sedimentary breccia with tourmalinized fragments, and an altered and pyritized sandstone similar to that from our drilling at Goatfell. I asked whether the property might become available in the near future and Mr. Wyklund replied that Cominco was still very much interested. Unconfirmed rumors from other sources have indicated that Cominco mounted a major drilling campaign on the block during 1988 and they did stake a small number of claims this fall along the trace of the Old Baldy Fault.

Several other properties were also examined during October. Further data was received on the Killick Gold (Mosquito King) prospect near Salomon Arm. The prospect continues to look interesting and will be presented to you in November when all the data has been analyzed and compiled. Half a day was spent examining data on the Sunrise prospect near Yellowknife, NWT. Recalculation of the tonnage suggests approximately 1 million tons of 10% Zn and 15 opt Ag has been proven. Significant additional tonnage is required to make the project viable. Chevron must determine what the infrastructure costs of the project would be to clearly evaluate this opportunity.

A small amount of time was spent on the Irish exploration programs, primarily consultation with Mr. Kemp Williams on the status of both exploration and joint venture negotiations with Cominco and Conroy Petroleum. Generative work during the month included a minor amount of compilation on Olympic Dam -type deposits in conjunction with Mr. Rick Eisenberg of the Minneapolis office. Two days at the end of the month were spent at the Geological Society of America national meeting at Denver.