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REPORT OF EXAMINATION AND
RECOMMENDATIONS

PADDY-MAC GOLD GROUP

TERRACE, B.C.

JULY 10, 1980

REPORT of EXAMINATION and RECOMMENDATIONS

INTRODUCTION

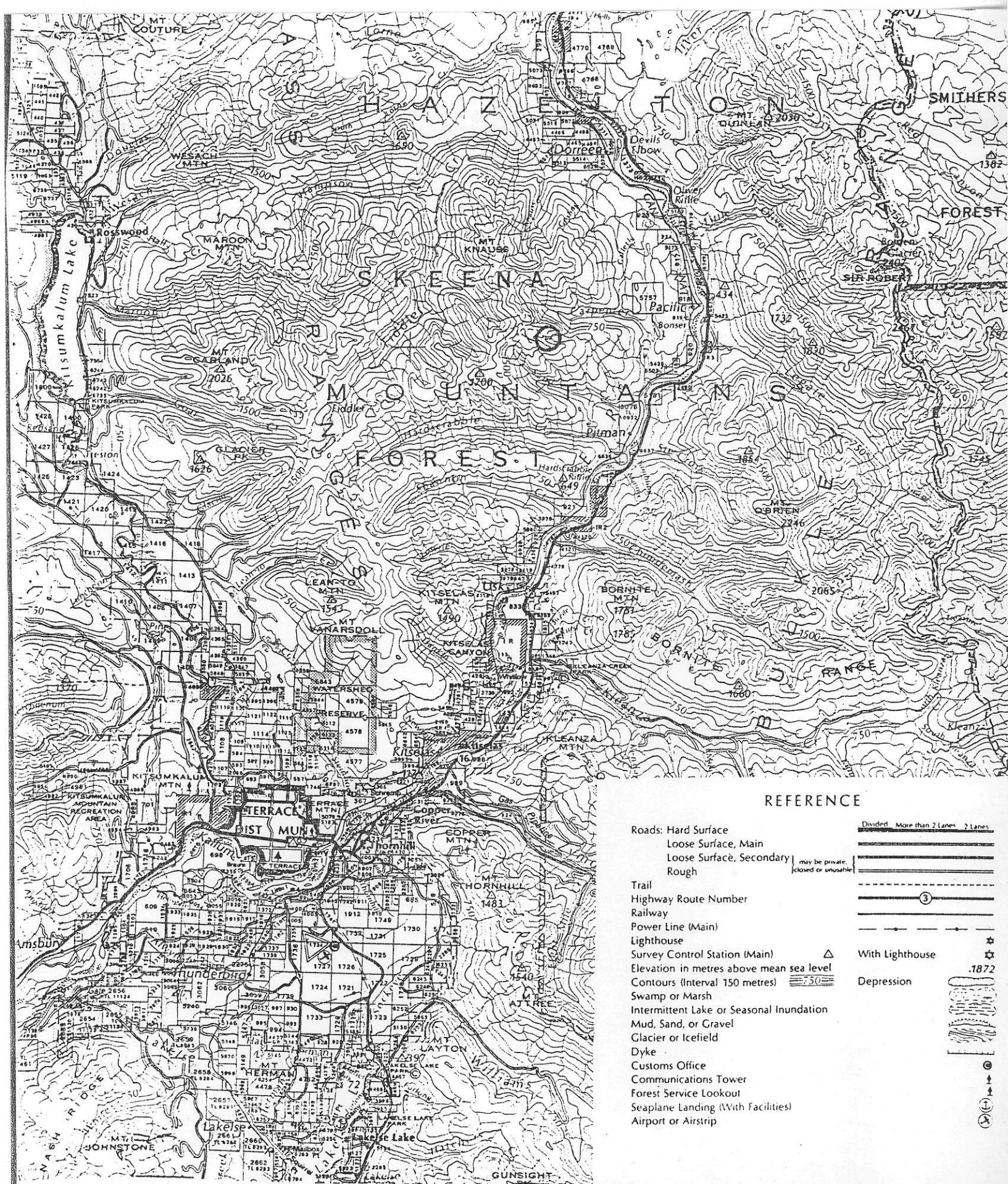
At the request of Mr. D.W. Coates, the Paddy-Mac Gold Group and the Little Mo molybdenum prospect were examined by E.S. Holt of Holt Engineering Ltd. on June 24, 1980.

The conclusions and recommendations set forth in this report are based on the site examination, on the results of sampling done during that examination and in part on assays and reports from previous examinations furnished to me by Mr. J.M. McNaulty.

LOCATION AND ACCESS

The claims are located approximately 30 kilometers NNE of Terrace near the headwaters of Carpenter Creek (latitude 54°46'N, longitude 128°23'W). The topography in the vicinity of the claims is rugged and in part inaccessible or glacier covered. Elevations in the area of the showings range from 3500 to 5500 feet.

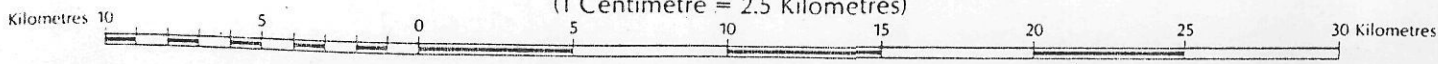
The claims can be reached by a 9 mile trail along Carpenter



REFERENCE

- Roads: Hard Surface Divided More than 2 Lanes 2 Lanes
- Loose Surface, Main
- Loose Surface, Secondary may be private, closed or unusable
- Rough
- Trail
- Highway Route Number
- Railway
- Power Line (Main)
- Lighthouse
- Survey Control Station (Main) With Lighthouse
- Elevation in metres above mean sea level .1872
- Contours (Interval 150 metres) 750
- Depression
- Swamp or Marsh
- Intermittent Lake or Seasonal Inundation
- Mud, Sand, or Gravel
- Glacier or Icefield
- Dyke
- Customs Office
- Communications Tower
- Forest Service Lookout
- Seaplane Landing (With Facilities)
- Airport or Airstrip

Scale 1:250 000
(1 Centimetre = 2.5 Kilometres)



(1 Inch = 4 Miles approximately)

Creek from the C.N.Railway near Pacific or via a 20 minute helicopter trip from Terrace.

CLAIM STATUS

The Paddy-Mac group consist of 11 claims owned by Mr. J.M. McNaulty of Victoria. They are the Paddy-Mac 3,5 and 7, Terrace Bell 1,2 and 3, Terrace Bell 4 (2 units) and W.J. (3 units). The Little Mo claim has 4 units and is owned by Mr. Ted Korrigan.

PADDY-MAC GOLD VEIN

The Paddy-Mac Gold vein is exposed along the south wall of a steep glacial cirque. The eastern end of the vein is accessible at several locations where it outcrops at the base of bluffs near the talus bedrock contact. As it climbs up the cirque wall to the west, it becomes inaccessible but is visible to the naked eye extending several hundred feet or more along the very steep hill side.

The gold bearing quartz veins are within steeply dipping altered sedimentary rocks which are cut by a series of granitic dykes. As the main granite contact, about a mile to the southwest, is approached the dykes become wider and

Mo. Showing

Carpenter

Creek

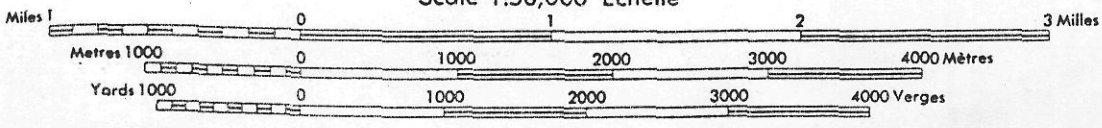
Poppy-Mac
Field View

Hardscrabble

Creek

Shannon

CHINDIMASH
INDIAN
RESERVE
2A



CHINDIMASH

more numerous.

The main quartz vein is traceable for what appears to be several hundred meters along the cirque face. It dips into the hill side at approximately 30° and strikes north 35° east. The vein is cut by the granite dykes and several faults with minor displacement. The width ranges from 1 meter to less than 10 centimeters as it pinches out to the east. In the accessible area it was generally .3 to .5 meters wide with considerable pinching and swelling. The vein appeared to be stronger and more consistent along the cliff to the west.

The milky quartz vein carries minor pyrite, chalcopyrite, galena, arsenopyrite and pyrrhotite. The sulphides are sporadically distributed and seem to have very little correlation with precious metal values.

Seven samples were taken for assay with the following results:

	<u>Oz. Ag/ton</u>	<u>Oz. Au/ton</u>
2305	0.20	.001
2306	0.38	.003
2307	5.92	10.800
2308	0.42	.193
2309	0.54	1.625
2310	0.10	.052
2312	8.45	7.050

The sample locations are described as follows:

- 2305 - float taken from talus below inaccessible portion of the vein approximately 400 meters from the eastern end. Sample contained minor chalcopryrite, galena and pyrite.
- 2306 - silicified argillite (wall rock) from adjacent to vein structure, some minor quartz veining.
- 2307 - sample across .4 meter quartz vein, above and to the north of the portal at the point marked #3.
- 2308 - brecciated portion of vein west of 2307. Sample taken across .7 meter exposure approximately 150 meters from the eastern end.
- 2309 - sample across .3 meter section of vein where exposed in a talus pile.
- 2310 - taken at sample point number one at the extreme eastern end of vein system across .2 meter vein exposure; very sparse sulphides.
- 2312 - sample taken in near vertical section of vein immediately west of #1 point.

The results of the samples shown above are very similar to those obtained by others. They indicate that the precious metal distribution is particularly erratic with some intriguing high values. In all probability, duplication of results will be difficult to obtain and a large number of samples will be necessary before any meaningful grade grade estimates can be made.

Exploration of the vein will be difficult and expensive. The accessible eastern portion of the vein has been shown to carry significant precious metal values over a strike length of approximately 150 meters. The balance of the vein is currently unexplored. Should that portion of the system contain values similar to the eastern end, the vein would have to be considered a promising exploration bet. Extending the mineralized strike length along what appears to be the strongest part of the vein system would expand the exploration target from say 8,000 to 60,000 ounces of contained gold.

LITTLE MO MOLYBDENUM PROSPECT

The Little Mo molybdenum prospect occurs on a narrow ridge between the north and south branches of Carpenter Creek at an elevation of 5000 feet. The chalcopyrite - molybdenite mineralization occurs primarily within patches of quartz and to a lesser extent, in the granitic host.

Samples collected assayed as follows:

	<u>Mo</u>	<u>Cu</u>
2301	.234	.013
2302	.020	.009
2303	.002	.007
2304	.001	.010
2311	.002	.399

Sample 2301 is from the mineralized quartz which would average less than 2% of the total rock mass. The others

are from various phases of the granite host in the immediate area of the showing with the exception of 2311 which is a dioritic composition containing above average chalcopyrite.

The copper-molybdenum showing is an isolated raw prospect. The possibility of locating the necessary grade improvements or developing large tonnage must be regarded as remote.

CONCLUSIONS AND RECOMMENDATIONS

The Paddy-Mac gold vein contains erratic, but significant precious metal values in that portion of the vein accessible for sampling. The balance of the vein structure which continues for some distance along the cirque wall is currently unexplored. It could be sampled at an acceptable cost by men experienced in mountain climbing.

If the vein extension is shown to carry gold values similar to those obtained on the narrower eastern end, then a promising drill target will have been developed.

A staged exploration program is recommended with each stage contingent upon favourable results in the preceding stage.

Stage I - sampling and measuring the unexplored portion of the vein by mountaineers with geological supervision.

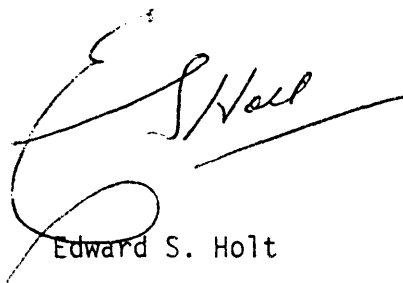
Stage II - a 5 hole diamond drilling program from above the south cirque wall to test the lateral extent of the vein system.

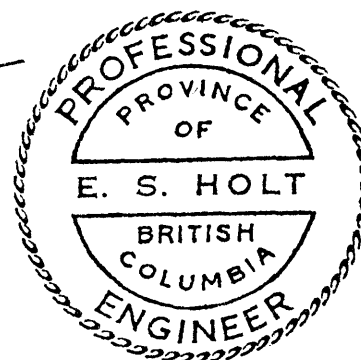
Initial exploration will have to be helicopter supported and will be expensive. The estimated cost of the recommended program is:

Stage I - \$15,000

Stage II - \$235,000

Respectively submitted,


Edward S. Holt



Certificate of Assay

TO: Holt Engrg.,
4091 St. Albans Ave.,
North Vancouver, B.C.

PROJECT No. 108
 DATE July 10/80.
 File No. 0-387

SAMPLE No.	Mo %	Cu %	Ag	Au
			oz/ton	oz/ton
2301	.234	.013	--	--
02	.020	.009	--	--
03	.002	.007	--	--
04	.001	.010	--	--
05	--	--	.20	.001
06	--	--	.38	.003
07	--	--	5.92	10.800
08	--	--	.42	.193
09	--	--	.54	1.625
10	--	--	.10	.052
11	.002	.399	--	--
2312	--	--	8.45	7.050

MIN-EN Laboratories Ltd.

CERTIFIED BY

