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CONSULTING GEOLOGICAL & MINING ENGINEERS

1000-1055 WEST HASTINGS STREET
VANCOUVER, CANADA V6E 2E9

Pharaoh Exploration Inc.

SCHEMO PROPERTY

Hazelton, British Columbia

(NTS 93M/4)

15 February, 1982

C.R. Saunders, P. Eng.

Vancouver, Canada

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SUMMARY

The Schemo property of Pharaoh Exploration Inc., consisting of about 1500 hectares in 60 units, is located approximately 60 kilometres north-northwest of Smithers, B.C. in the central portion of the Rocher Deboule Range.

The Rocher Deboule Range is underlain by Middle to Lower Cretaceous age Skeena Group volcanic and sedimentary units that have been intruded by a Late Cretaceous stock that is mostly of granodiorite composition. Mineral showings occur within and peripheral to the stock; two were developed into small producers; small shipments were made from four others. The main metals of interest in the area are copper, molybdenum, tungsten, silver, lead and zinc.

At least four mineral occurrences are present on the Schemo property. Two are in close proximity to one another in an area previously encompassed by another property. They comprise a vein stockwork with copper and silver mineralization, and a disseminated chalcopyrite-molybdenite zone. The other two occurrences have been reported but not examined: a molybdenite showing and a massive pyrrhotite showing.

Although there are mineral showings on the Schemo property, the economic potential is more conceptual than target oriented. In this respect the property is well situated in a geological setting considered to have better than average probability for the occurrence of mineral deposits.

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INTRODUCTION

This report has been prepared at the request of Messrs. E. Carlson and C. Coleman of Pharaoh Mines Inc. It is based on government and industry reports, maps and data. The writer is familiar with the general area, having supervised an exploration program on a former property that is now partially encompassed by the Schemo property.

LOCATION

The property is situated in NTS area 93 M/4 at 56°07'N latitude and 127°34'W longitude, (Fig. 1). It is in the central portion of the Rocher Deboule Range in central western British Columbia. Old mining and exploration roads on and near the property connect with the Yellowhead Highway (No. 16) a few kilometres to the east and west. The small town of Hazelton is 15 kilometres to the north (40 road kilometres) and the service and distribution centre of Smithers is about 60 kilometres to the south-southeast. Smithers is serviced by regular airline flights and both towns are on the northern branch of the Canadian National Railway which connects with Prince Rupert to the west and Prince George to the east.

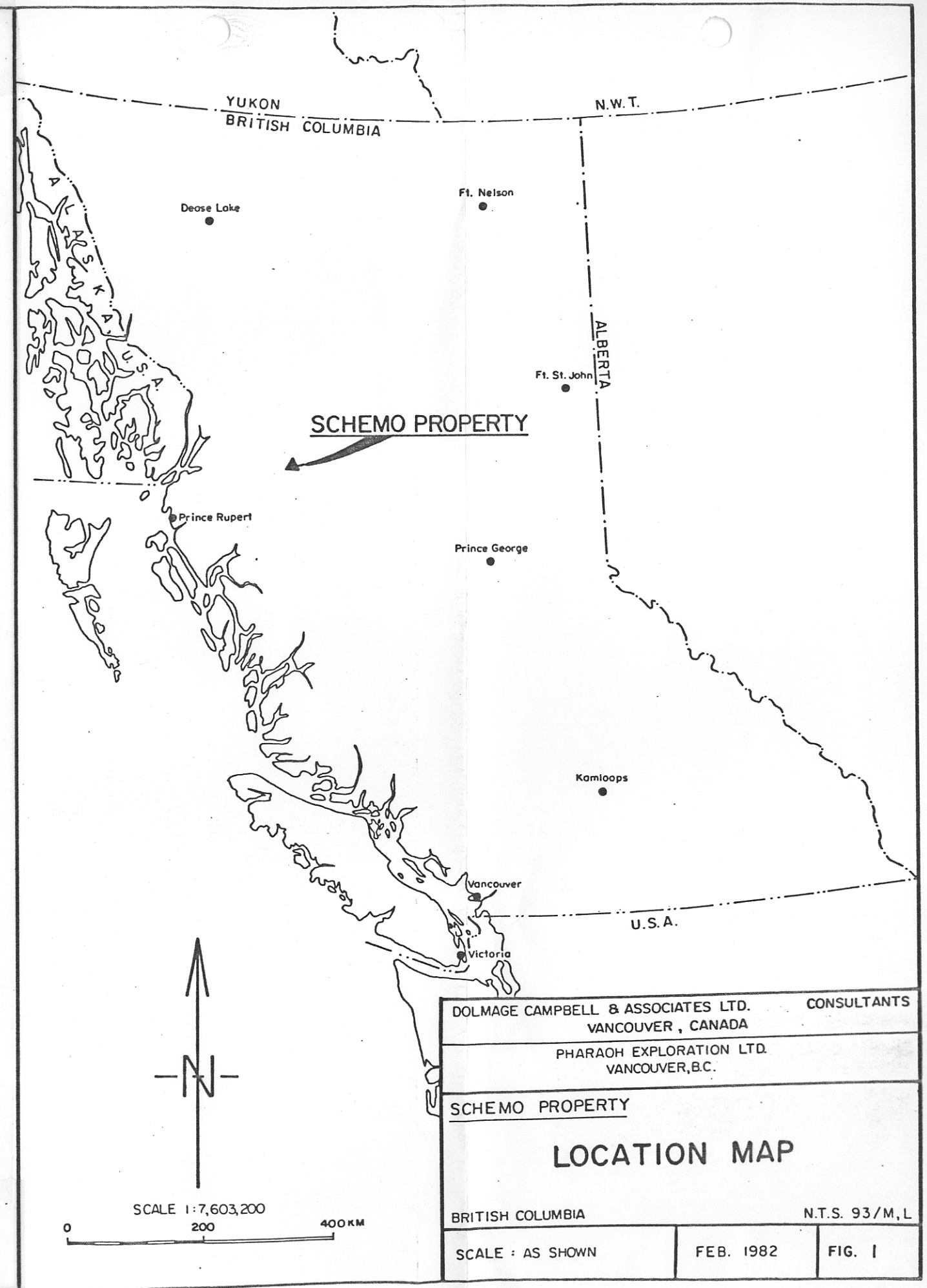
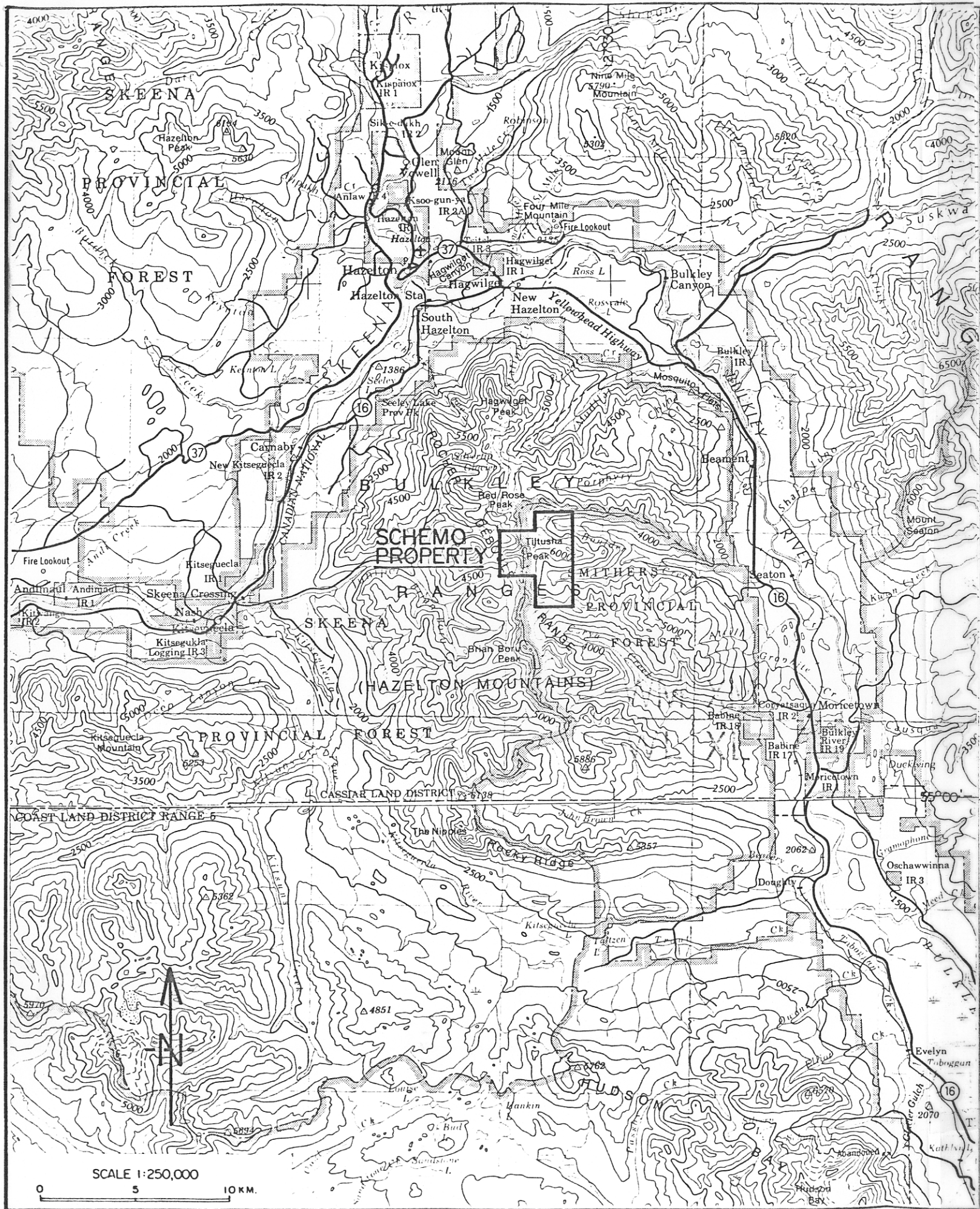
The area is quite rugged with steep slopes and precipitous areas being common. Elevations on the property range from approximately 1250 metres to over 2350 metres. Precipitation is moderate, averaging 50-75 centimetres per year.

PROPERTY

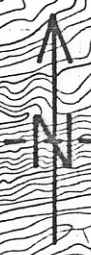
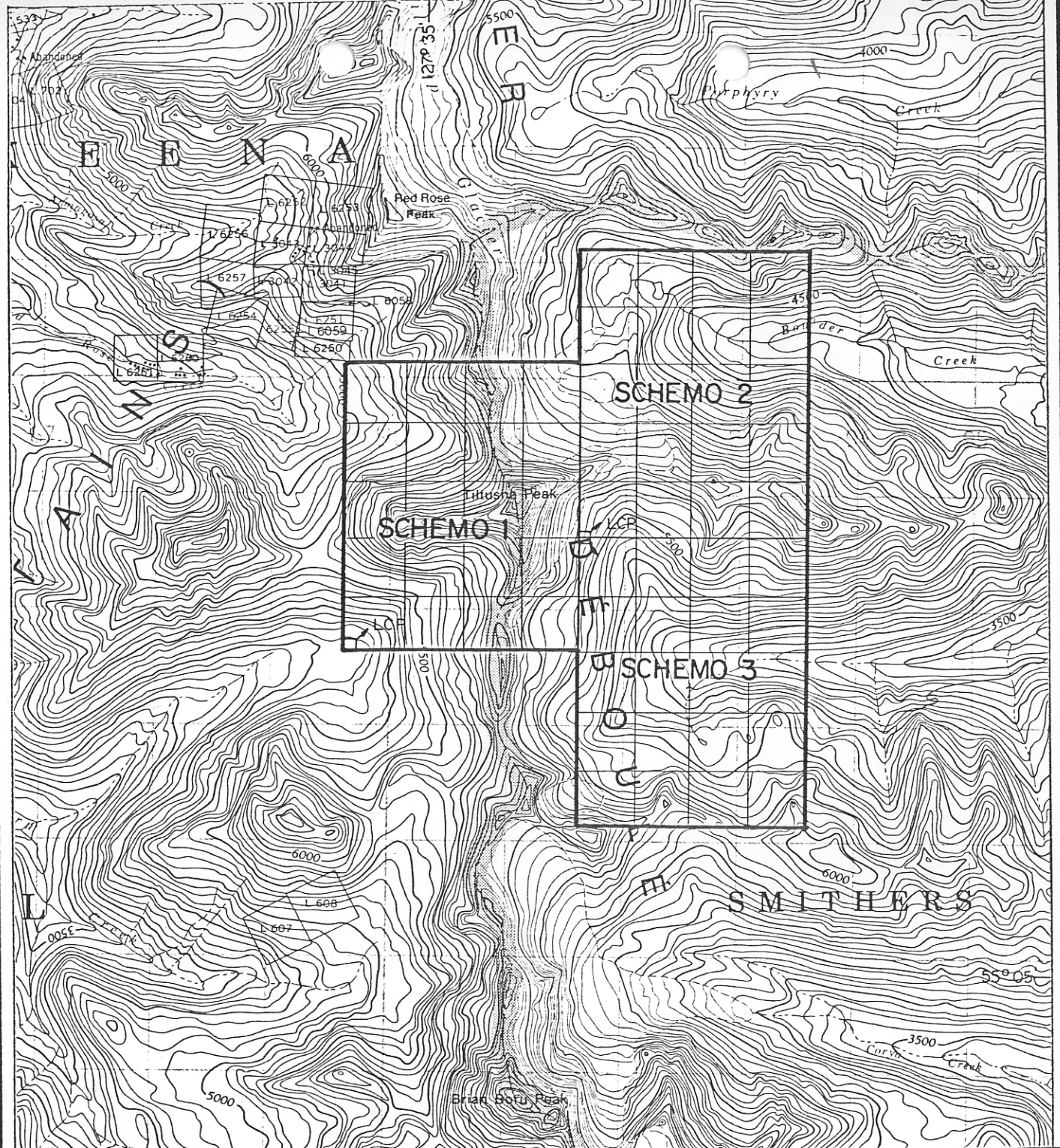
The property consists of three metric claims of 20 units each, (Fig. 2), which encompass an area of approximately 1500 hectares. Maximum extent is five kilometres north-south and four kilometres east-west.

Claim names and record numbers are as follows:

<u>Claim Name</u>	<u>Record Number</u>
Schemo 1	4506
Schemo 2	4507
Schemo 3	4508



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PHARAOH EXPLORATION LTD. VANCOUVER, B.C.	
SCHEMO PROPERTY	
LOCATION MAP	
BRITISH COLUMBIA	N.T.S. 93/M, L
SCALE : AS SHOWN	FEB. 1982
	FIG. 1



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SCHEMO PROPERTY

PROPERTY MAP



N.T.S. 93M/4

SCALE : 1 50,000	FEB. 1982	FIG. 2
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HISTORY

The Rocher Deboule Range has produced ore worth about 26 million in 1981 Canadian dollars, chiefly tungsten and copper but with values from gold, silver, cobalt, molybdenum, lead and zinc. The area was first prospected about the turn of the century with significant activity beginning in 1910. More than 15 properties have been seriously explored with some production achieved from at least six. However, the only major production was from the Red Rose Mine (1942-43, 1952-54) and the Rocher Deboule Mine (1915-18, 1929, 1952), located less than a kilometre and about five kilometres respectively, northwest of the Schemo property. The Red Rose was a tungsten producer with some values in copper, gold and silver. The Rocher Deboule was a copper mine but it too produced some values in gold and silver.

More recent exploration was done on a property, called the Sultana or Silver Tip, that is now partially encompassed by the southeast portion of Schemo 3 claim. Work on that property was intermittent after it was first briefly described in the Summary Report of the Geological Survey of Canada in 1910 as the Last Chance and Little Wonder. It was drilled in 1923 (one hole) by Granby Consolidated Mining, Smelting & Power Company and in 1956 (several short holes) by Canusa Mining Company. The property was acquired in 1966 by Mr. C.E. Carlson, now a principal of Pharaoh Exploration, for Sultana Silver Mines Ltd. Sultana did road building, trenching, geochemical and geophysical surveys, and diamond drilling (13 holes, 911 metres) during the period 1968 to 1973.

The only recent work on the Schemo property has been prospecting by principals of Pharaoh Mines Inc.

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British Columbia Minister of Mines Annual Reports, 1914, 1916, 1922, 1926, 1951, 1952, 1953, 1954.

GEOLOGICAL SETTING

REGIONAL GEOLOGY

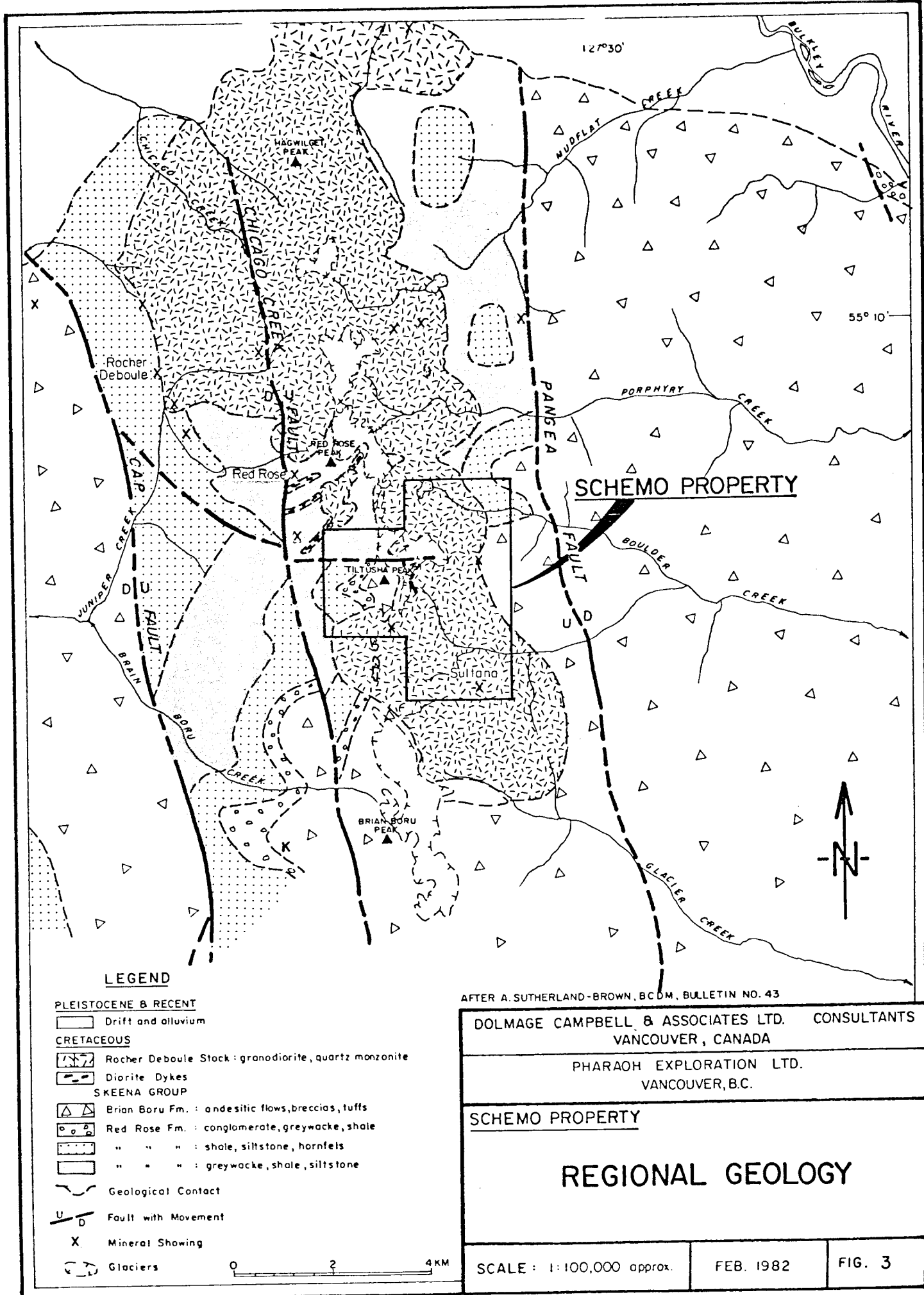
The Rocher Deboule Range is elliptical in plan, 25 by 35 kilometres, and is isolated by wide valleys from adjacent mountain masses. It is underlain by Middle to Lower Cretaceous formations of the Skeena Group and the Late Cretaceous Rocher Deboule stock of the Bulkley intrusions, (Fig. 3).

The units comprising the Skeena Group are the Brian Boru Formation and the older Red Rose Formation. The Red Rose Formation consists of 2300 to 2400 metres of marine and non-marine shale, siltstone, greywacke, conglomerate and coal that has been subdivided into three units. The Brian Boru Formation includes 1500 to 1800 metres of purple, green or grey porphyritic andesite breccias and massive flows with minor hornblende porphyry andesite flows and some pyroclastic rocks. The ages of the formations are not accurately known but recent information from the Geological Survey of Canada indicates the Red Rose Formation to be Lower Cretaceous and the Brian Boru Formation to be Middle Cretaceous.

The Skeena rocks are intruded by the Rocher Deboule stock, an eastern outlier of the Coast Intrusive Complex, which underlies 70 square kilometres in the north central part of the mountain range. The stock is formed of two phases, a slightly porphyritic granodiorite that underlies 60 square kilometres and a fine grained quartz monzonite that underlies 10 square kilometres at the north end of the stock. The two phases are closely related in age and origin although the quartz monzonite is thought to be the younger phase. Surface exposures reveal the upper part of the stock to be elongate in shape, a composite of two domes with a connecting saddle, oriented north 25 degrees west.

The structural setting of the Rocher Deboule range is dominated by three northerly trending, steeply dipping normal faults. The sedimentary and volcanic units have moderate dips, usually less than 45°, on open folds except for local, more detailed folding patterns. The three major faults, from east to west are the Pangea, Chicago Creek and Cap. They have the effect of raising the centre of the range as a horst. However, for the range as a unit, the rocks are dropped in relation to neighbouring mountain masses. It has been suggested that the fundamental structure of the range may be a volcano-tectonic depression.

The known mineral occurrences are concentrated peripherally about the intrusive stock. They probably owe their origin to the stock, and their distribution to factors resulting from its cooling history and peripheral faulting and fracturing.



LEGEND

PLEISTOCENE & RECENT

Drift and alluvium

CRETACEOUS

Rocher Deboile Stock : granodiorite, quartz monzonite

Diorite Dykes

SKEENA GROUP

Brian Boru Fm. : andesitic flows, breccias, tuffs

Red Rose Fm. : conglomerate, greywacke, shale

" " " : shale, siltstone, hornfels

" " " : greywacke, shale, siltstone

Geological Contact

Fault with Movement

Mineral Showing

Glaciers

0 2 4 KM

AFTER A. SUTHERLAND-BROWN, B.C.D.M., BULLETIN NO. 43

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VANCOUVER, B.C.

SCHEMO PROPERTY

REGIONAL GEOLOGY

SCALE : 1:100,000 approx.

FEB. 1982

FIG. 3

PROPERTY GEOLOGY

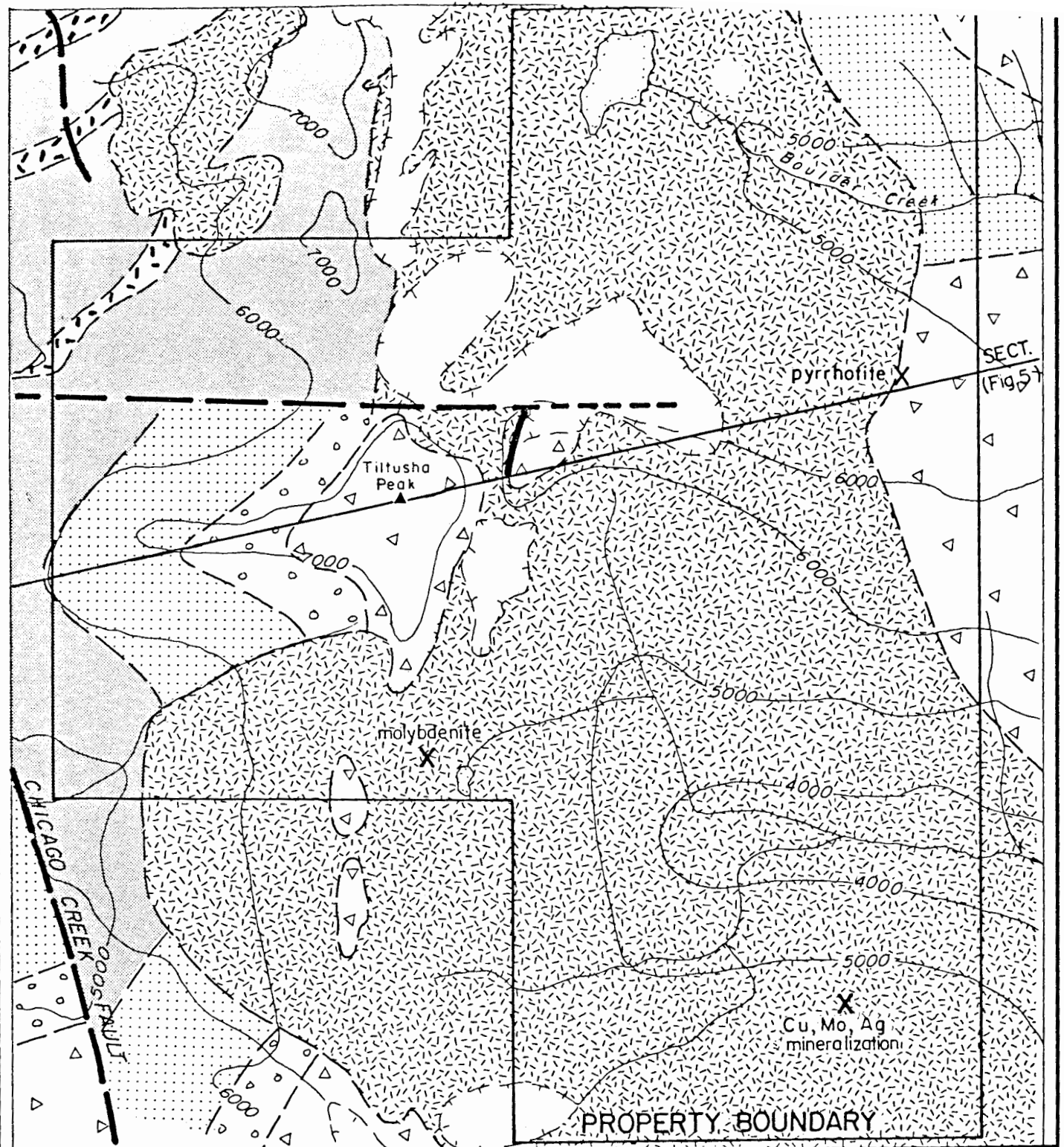
The Schemo claims encompass a large portion of the southern lobe of the granodioritic intrusive and part of the connecting saddle, as well as portions of the Brian Boru and Red Rose formations, (Fig. 4). The Pan-gea Fault is located within a kilometre to the east and the Chicago Creek Fault is near the western boundary of the property. A cross fault striking east-west, the Mill Fault, is present on Schemo 1 claim and projects into Schemo 2.

The non-intrusive rocks on the property, as determined from regional data and information from the old Sultana property, consist of andesitic volcanic flows, breccias and tuffs, possibly volcanic sandstone and conglomerate, shale, siltstone, hornfels and greywacke. Andesitic feldspar porphyry dykes occur locally in the intrusive rocks and probably in the volcano-sedimentary units as well.

The exposed intrusive rocks are locally closely broken by several sets of joints and fractures, and in some places they are cut by a discontinuous, lency quartz stockwork as well as by aplite and andesitic dykes.

Known and reported mineral occurrences are shown on Figure 4. Little is known of the pyrrhotite showing on Schemo 2 claim other than it is reported to be of substantial size, 10 to 15 metres in width and perhaps a hundred metres in length. Even less is known of the molybdenite showing on the southeast corner of Schemo 1. On Schemo 3 claim, data are available from the work done by Sultana Silver Mines in the early 1970's that indicate the presence of two types of mineralization in close proximity to one another. They consist of a vein stockwork and a zone of disseminated chalcopyrite-pyrite mineralization occurring as fine fracture fillings, both in the granodiorite host rock. The vein is locally rich in silver but drilling has indicated that it lacks continuity. The disseminated mineralization is poorly exposed but has been partially tested by geochemistry (soil and rock), an induced polarization survey, and three drill holes. The geochemistry and geophysics outlined moderately sized anomalies but the limited drilling located only weak chalcopyrite, pyrite and molybdenite mineralization.

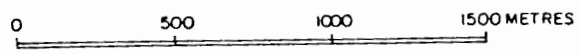
The Red Rose tungsten mine is located about one kilometre northwest of the northwest corner of Schemo 1. It is in a fine grained diorite dyke that is older than the granodiorite stock. The mineralization occurs in a shear zone, the Red Rose shear, within the diorite; the mineralization is not known to extend beyond the diorite although this possibility has not been checked at depth. The known extent of the mineralized shear is 335 metres down dip (70°) and 60 to 120 metres along strike.



SECT.
(Fig 5)



FOR LEGEND SEE FIGURE 3



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SCHEMO PROPERTY	
PROPERTY GEOLOGY	
SCALE : 1:25,000	FEB. 1982
FIG. 4	

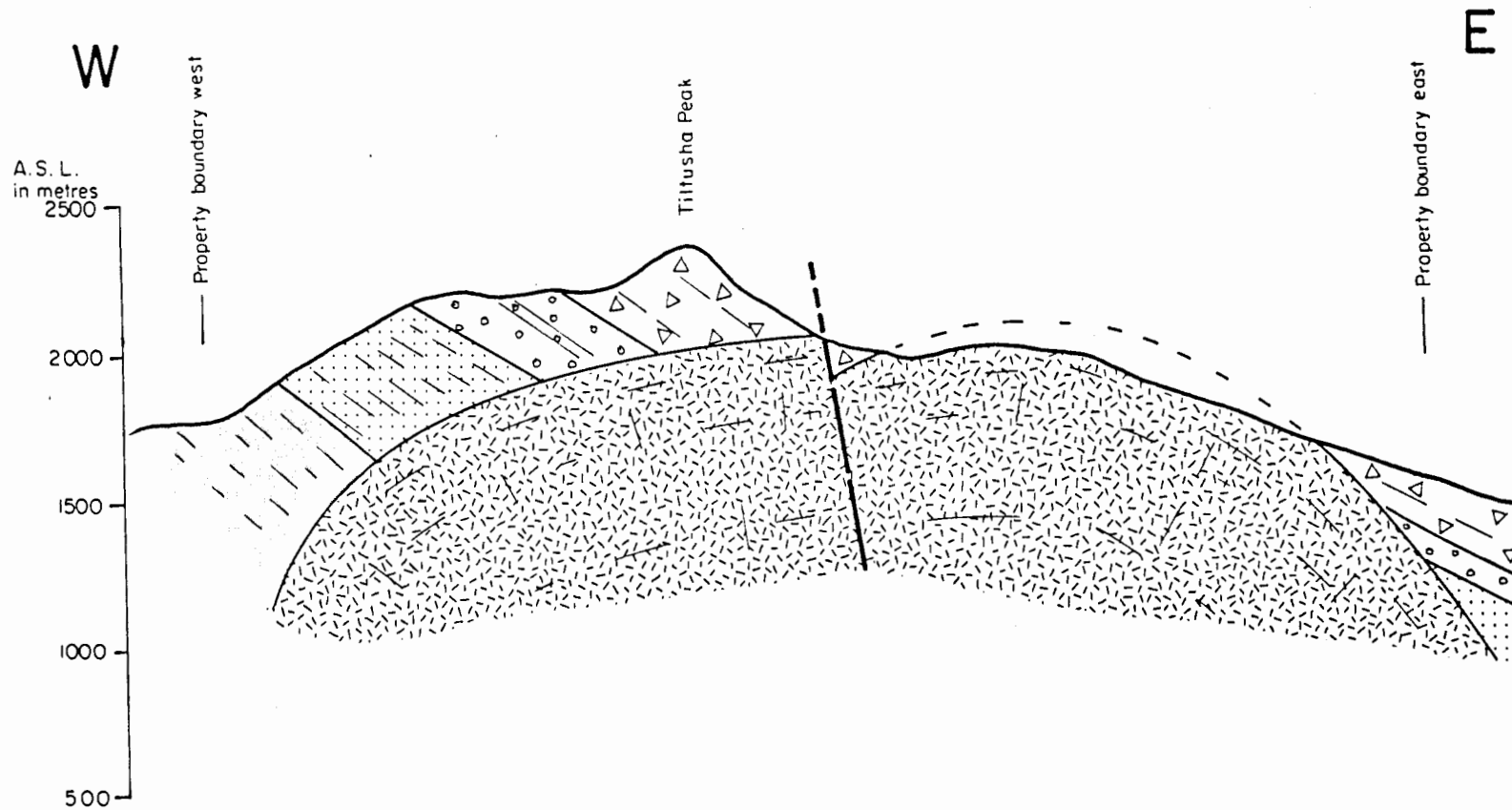
ECONOMIC POTENTIAL

The economic potential of the Schemo property is primarily conceptual rather than target oriented, although, with careful study of old data, some specific targets could evolve. The possible targets on the property, along with the many mineral showings that are present within and peripheral to the intrusive stock, indicate that the claims are situated in a generally mineral rich area. There are possibilities for the occurrence of tungsten, silver, copper, molybdenite and possibly other metals.

The location of known exploration targets on the property is limited to areas that previously have been examined, prospected or explored. These include the reported showings of pyrrhotite to the east of Tiltusha Peak and of molybdenite south of the peak, and the copper-molybdenum-silver occurrences on Schemo 3 on which some exploration was done in the early 1970's. These targets represent only a small portion of the total Schemo property.

A cross-section through the property, (Fig. 5), shows the suggested relationship of the granodiorite intrusive and the intruded volcano-sedimentary units. The latter form a relatively thin cover over the intrusive near its exposed flanks. This suggests possibilities for fracture zones within the cover rocks due to stresses resulting from intrusion. Mineralization associated with the stock, (and the spatial relationship of mineral occurrences with the stock would indicate such an association), could form mineral deposits in these fracture zones. Evidence indicates the deposits could occur as vein stockworks and disseminated zones. Furthermore, considering that exposed portions of the granodiorite stock represent the contact or peripheral zone of the intrusive body, there may be portions of the intrusive that are well fractured and thus potential hosts for mineralization. This appears to be the situation with regard to the disseminated mineralization on the old Sultana property.

Careful prospecting and thorough geochemical sampling combined with a photo-geologic study and geological mapping should indicate mineral targets that may be present on the property. Follow-up work with geophysical surveys, trenching and reconnaissance drilling would provide preliminary testing of such targets.



FOR LEGEND SEE FIGURE 3



After A. Sutherland-Brown, B.C.D.M., Bulletin No. 43

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SCHEMO PROPERTY

GEOLOGICAL SECTION

SCALE: 1:25,000

FEB. 1982

FIG. 5

CONCLUSIONS

In the Rocher Deboule Range tungsten, copper, molybdenum, silver and other mineralization is common and is associated with the central core of the range formed by the Rocher Deboule granodiorite stock. The general area is considered to have a better than average probability for the occurrence of potentially economic mineral deposits. The Schemo property is well-located within the range and has some known mineral occurrences on it. Primary exploration is warranted and should consist of prospecting, geological mapping, soil and rock geochemical surveys, and a photo-geologic study.

Respectfully submitted,
DOLMAGE CAMPBELL & ASSOC. (1975) LTD.

A handwritten signature in cursive script, reading "C.R. Saunders".

C.R. Saunders, P. Eng.