

860364

CANASIL RESOURCES INCORPORATED

VEGA PROPERTY SUMMARY REPORT

VEGA GROUP OF MINERAL CLAIMS

USLIKA LAKE AREA

OMINECA MINING DIVISION

BRITISH COLUMBIA

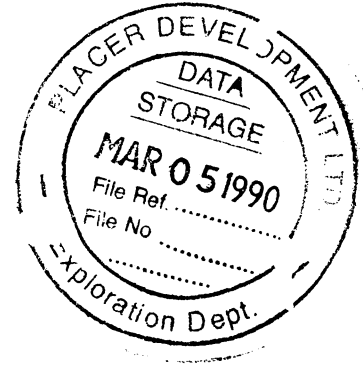
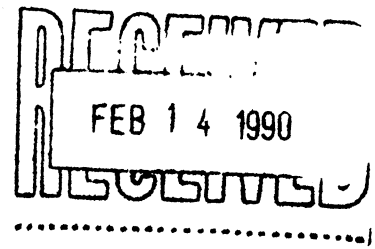
NTS. 94C/3W

LATITUDE : 56 degrees 09 minutes North

LONGITUDE: 125 degrees 20 minutes West

Prepared By: Paul J. Weishaupt

Date: December 1989



## TABLE OF CONTENTS

	PAGE No.
INTRODUCTION.....	1
AREA HISTORY.....	1
PROPERTY HISTORY.....	2
CLAIMS AND HOW HELD.....	5
LOCATION AND ACCESS.....	5
REGIONAL GEOLOGY.....	6
PROPERTY GEOLOGICAL SETTING.....	6
SUMMARY OF EXPLORATION RESULTS TO DATE.....	7
SUMMARY AND CONCLUSION.....	10

## LIST OF FIGURES AND DRAWINGS

PROPERTY LOCATION MAP

CLAIM MAP

GOLD IN SOILS

COPPER IN SOILS

ARSENIC IN SOILS

RECONSTRUCTED UNDERGROUND ASSAY PLAN BY D.C.MALCOLM

## INTRODUCTION

The Vega copper-gold prospect forms part of Canasil Resources Inc. property holdings which are located in the Omineca Mining Division of British Columbia. The following Report was prepared to summarize the more important exploration results obtained from the Vega Property, to date. Several companies have contributed to the information within, most importantly was the original staker, Cominco.

## AREA HISTORY

### 1935-1947

Exploration around Uslika Lake was conducted by Cominco from their Headquarters located at the north end of Uslika Lake. During this period, copper-gold mineralization was located on Vega, Thane and Pluto Creeks. Several Claims were staked to cover the new showings.

### 1948

Copper-gold mineralization was located on Betty Hill. The Ellin Claims were staked to cover this showing.

### 1948-1962

Some trenching took place on the copper-gold showings, but by 1961 most of the Claims in the area were cancelled.

### 1963

Renewed interest developed in the Uslika Lake area led to the restaking of the copper-gold showings. The newly staked ground was comprised of the Betty (Ellin), Vega, Thane and Pluto Claims. High grade gold values were obtained from a Magnetite Vein located on the Betty Claims.

## AREA HISTORY

### 1963-1967

Exploration work, mostly prospecting and some trenching, was conducted on all the Claims. Minor drilling was carried out on the Betty Claims.

### 1974-1976

B.P. Minerals initiated the first modern large scale exploration program in this area. The program consisted of air-borne geophysics, geological mapping, ground geophysics, geochemical surveys and diamond drilling.

### 1977-1987

Only low key exploration was conducted in the area.

### 1988-1989

Lvsander optioned the old Betty Group from B.P. Minerals. A three phase exploration program was conducted on the property resulting in additional claim staking. The Old Betty Group (now the Cat Claims) extends from the Osilinka River to the south end of the Vega Property.

## PROPERTY HISTORY

The Vega Property was first staked in 1935. Mineralization with copper and gold values were located on the south bank of Vega Creek. This bank was stripped by ground sluicing and the exposed mineralization was sampled. In 1936 two log buildings were constructed. These buildings accommodated a small crew, who started a tunnel to further explore the mineralization. 30 feet of Crosscut tunnel 5'X 6'1/2 in solid rock at a cost of \$600.00

## PROPERTY HISTORY (cont'd)

was recorded for assessment work on October 19th, 1936. Drifting was continued in 1937 and work stopped in 1938. Approximately 664 feet of underground work was completed by November 14, 1938. All the work was done by Cominco, whose crews produced an assav plan of the underground workings. Some of the data was lost during a fire at Cominco's headquarters at Aiken Lake in the fall of 1938. A reconstructed assav plan was prepared by D.C.Malcolm from his field notes. This assav plan is the only detailed underground record to date.

From the period 1939 to 1945 (the Second World War) Cominco prospected the area for mercury and tungsten with limited success.

In 1963 a Joint Venture between Croyden Mines Ltd, Rio Tinto Exploration and Bralorn Mines, was formed to explore the Vega and Betty Properties.

In 1964 the Joint Venture partners conducted a soil sampling program on the Vega Claims. This program outlined a copper soil anomaly uphill from the underground workings. Due to the steep banks along Thane Creek, an attempt to bring a small cat on to the property, to trench the anomalies, failed.

From 1965 to 1973 yearly prospecting trips were made to the Vega Property to maintain the claims and buildings.

## PROPERTY HISTORY CONT.

In 1976 B.P. Minerals optioned the two Ron Claims (the Vega Property) and staked the surrounding area. Geophysical and geochemical surveys were conducted, followed by a 6840 foot diamond drill program. This large program allowed B.P. Minerals to keep the Claims in good standing for 10 years making the expiry date 1986.

In 1982 Canmine Development Company Incorporated ( a private company) purchased the two Ron Claims, from E. Bronlund. The two claims covered the area of underground workings and the old cabins.

By 1987 two additional claims were staked and a geochemical survey was conducted in the area of the underground workings. The results of the survey led to a Joint Venture Agreement between Canmine and Cyprus Gold (Canada).

In 1988 geochemical and geophysical surveys were conducted on the Property, followed by a 3569 foot drill program in eight holes. In late 1988 Cyprus Gold (Canada) relinquished the option and returned 100% interest back to Canmine Development Company Inc. During the 1989 Field season Canmine Development Company Inc. conducted a small reclamation program of the Drill Sites and regained access to the 1938 underground workings via the old vent raise.

In December of 1989 Canmine Development Company Inc amalgamated with Canasil Resources Inc, who is the present owner of the Vega Property.

## CLAIMS AND HOW HELD

The Vega Property held by Canasil Resources Inc. consists of 5 Mineral Claims. These claims are detailed as follows;

Claim Name	Record No.	Units	Expiry Year
Vega	7947	16	1998
Vega 2	9062	8	1998
Vega 3	9239	12	1998
Vega 4	9240	16	1998
Grum	8433	10	1998

## LOCATION AND ACCESS

The Vega Property lies in an upland valley in the Omineca Mining Division between the Osilinka and Mesilinka River systems. Latitude is 56 degrees 09' North and longitude is 125 degrees 20' West. Elevations at the Property range from 1200 m at the tunnel portal to about 1400 m. on the knoll above the early stripping. The claims have a forest cover with approximately 50% of the timber being under a Forest licence as commercial timber. There are very few bedrock exposures on the Property. The rock exposures are confined to Creek canyons. Upper slopes and ridge tops are covered with over-burden. The camp consists of two large log buildings and two plywood cabins in good repair. The camp is equipped with running water, shower, stove and fridge. At the property, water is available from Vega Creek, Prospectors Creek, an open muskeg-bottomed pond and from a spring at the Camp location.

The early work on the Vega Property, carried out in the 1930's, was supported by pack horses. The old Vega Trail leads about 10 km north-westerly and northerly to the Vega Camp from the north end of Uslika Lake. Uslika Lake is along the newly constructed

## LOCATION AND ACCESS

main logging haul road with direct main road connections to Prince George a distance of 384 km. Logging is in progress on Vega and Thane Creeks and the first 5 km of the old Vega Trail, along Thane Creek, is now a Haulroad. From this point access to the Property is on foot along the old trail or by helicopter. Assuming a continuation of the 1989 level of logging, an access road, for the purpose of timber harvesting, will be constructed to the Property in the near future.

## REGIONAL GEOLOGY

The Vega Property is lying on a north-north-west trending fault structure in Takla Group volcanic rocks of Upper Triassic to Jurassic Age. This sequence of rocks has been intruded by dykes and sills of diorite similar to, and probably related to the large mass of the Hogem Batholith which lies about 6.4 km to the south-west. Zones of pervassive alteration of the Takla augite porphyries and fragmental rocks occur adjacent to the intrusives, developing areas of chloritic, silicic and hematitic rock overprinting the primary volcanic textures. In these alteration zones are found veins and disseminations of sulphide minerals with notable values in copper, gold and minor silver.

## PROPERTY GEOLOGICAL SETTING

The Vega Property lies within steep southwesterly dipping Upper Triassic to Jurassic Takla Group volcanic and sedimentary rocks. This sequence consists mainly of andesitic flows, breccias and tuffs, including mudstone units. Specimens of rock type from the Vega Property were analyzed by Dr.R.M.Thompson U.B.C. in 1964.



## PROPERTY GEOLOGICAL SETTING

Dr. Thompson's thin section study reported that the specimens were pyroxene-andesite, andesite and flow breccia. Intruding the volcanic stratigraphy are syenite-monzonite-diorite dykes related to the Hogem Batholith to the south-west. Intrusive volcano sedimentary contacts parallel the regional northwest structural trend.

The sulphides consist of pyrite, chalcopyrite, magnetite and minor bornite. Propylitic alteration of calcite, chlorite, epidote, and quartz is common. Secondary biotite, pink veining, and pink colourations are often present. Less common are coloured bands of chalcedony in narrow zones of general silicification.

Mineralization on the Vega Property occurs in brecciated, altered, andesite/basalt, altered syenite and in altered brecciated syenite. The sulphides are found mainly along fractures but also as blebs and disseminated grains. Concentration of sulphides occurs along shear and fracture zones.

Intense, closely spaced fracturing and faulting, which occurs in the adit area, is part of a broader deformation zone which is 490 m (1600 ft.) wide and greater than 2100 m (7000 ft.) in length.

## SUMMARY OF EXPLORATION RESULTS TO DATE

Cominco's engineers prepared the only geological map of the underground workings. The several prominent fault structures mapped, appear to cut the mineralized zone into several segments

SUMMARY OF EXPLORATION RESULTS TO DATE

with small right hand offsets. The zone, interpreted by Keith C. Fahrni P.ENG., may be 100 feet (30m) in width has been projected vertically onto several level plans. Limited sampling of the underground workings, in 1989, strongly indicates a zone containing low grade copper and gold mineralization.

Between 1973 and 1975 B.P Minerals Ltd. completed an airborne magnetic survey, a grid system, geological mapping, an I.P. and ground magnetometer survey, a geochemical survey and 6,840 feet of diamond drilling in 12 holes. 3 holes were drilled toward the old underground workings and intersected low grade copper-gold mineralization. A summary of the results from these three holes are as follows:

HOLE	FROM	TO	LENGTH	% COPPER	OZ/TON GOLD
VD-1	104.80	105.50	0.70	0.186	0.006
VD-1	105.50	107.50	2.00	0.270	0.004
VD-1	119.99	120.85	0.86	0.246	0.007
VD-1	120.85	122.85	2.00	0.097	0.002
VD-1	124.95	126.95	2.00	0.102	0.002
VD-1	130.30	132.30	2.00	0.111	0.003
VD-1	132.30	134.30	2.00	0.172	0.004
VD-1	137.90	139.90	2.00	0.131	0.009
VD-1	139.90	142.00	2.10	0.281	0.016
VD-1	142.00	145.00	3.00	0.240	0.014

\* Re logged and sampled in 1988

VD-1	30.50	33.55	3.05	0.19	0.011
VD-1	103.70	106.75	3.05	0.31	0.018
VD-1	106.75	109.80	3.05	0.13	0.003
VD-1	118.95	122.00	3.05	0.22	0.007
VD-1	122.00	125.05	3.05	0.10	0.003
VD-1	125.05	128.10	3.05	0.12	0.007
VD-1	128.10	131.15	3.05	0.20	0.009
VD-1	131.15	134.20	3.05	0.19	0.011
VD-1	137.25	140.30	3.05	0.11	0.007
VD-1	140.30	143.35	3.05	0.37	0.018
VD-1	143.35	146.40	3.05	0.42	0.070

\*From 1975 Drill Logs

SUMMARY OF EXPLORATION RESULTS TO DATE

HOLE	FROM	TO	LENGTH	% COPPER	OZ/TON GOLD
VD-11	54.90	57.95	3.05	0.52	
VD-11	57.95	61.00	3.05	0.14	
VD-11	115.90	118.95	3.05	0.10	
VD-11	118.95	122.00	3.05	0.10	
VD-11	122.00	125.05	3.05	0.18	
VD-11	125.05	128.10	3.05	0.10	
VD-11	128.10	131.15	3.05	0.14	
VD-11	131.15	134.20	3.05	0.16	

\*From 1975 Drill Logs

VD-4	48.8	51.85	3.05	0.15	0.032
VD-4	131.15	134.20	3.05	0.18	0.013
VD-4	134.20	137.25	3.05	0.19	0.019
VD-4	158.60	161.65	3.05	0.16	0.005
VD-4	161.65	164.70	3.05	0.25	0.014
VD-4	164.70	167.75	3.05	0.17	0.009
VD-4	167.75	170.80	3.05	0.17	0.015
VD-4	170.80	173.85	3.05	0.10	0.007

\*From 1975 Drill Logs

Induced polarization and resistivity surveys conducted in 1988 over six areas on the Vega Property outlined moderate to strong chargeability anomalies with either, directly coincident with, or had slight down slope anomalous gold geochemistry and at times copper-arsenic.

Soil geochemistry done in 1988 was successful in outlining several large areas with highly anomalous values in gold, copper, arsenic, and to a lesser extent zinc on the Vega Property. At times, a good correlation exists between copper, gold and arsenic. Values range from minimum detectable levels to highs of 2380 ppb Au, 2876 ppm Cu, 1652 ppm As and 521 ppm Zinc. On average the gold anomalies are 20-60m / 66-197 ft. wide and 100-600 m / 328-1969 ft. in length. Most gold values within these anomalies are greater than 100 ppb. Copper and arsenic

## SUMMARY OF EXPLORATION RESULTS TO DATE

anomalies, being more mobile elements, are more extensive (up to 250 m/820 feet in width and 700 m/2295 feet in length.) Seven of the 1988 holes were drilled to test chargeability anomalies either with direct on slight down slope anomalous gold geochemistry in soil. Hole No.V88-8 was drilled towards the underground workings. A summary of results obtained from V88-8 are as follows;

HOLE	FROM	TO	LENGTH	% COPPER	OZ/TON GOLD
V88-8	50.55	52.55	2.00	0.11	0.001
V88-8	55.00	57.00	2.00	0.17	0.002
V88-8	66.00	68.00	2.00	0.11	0.004
V88-8	85.00	86.00	1.00	0.11	0.007
V88-8	86.00	87.50	1.50	0.21	0.014
V88-8	89.45	90.95	1.50	0.27	0.045
V88-8	92.45	93.40	0.95	0.11	0.011
V88-8	96.04	98.04	2.00	0.15	0.016
V88-8	98.04	99.04	1.05	0.14	0.018

## SUMMARY AND CONCLUSION

The work done on the Vega Property has not exposed any commercial ore to date.

The Property has shown extensive, low grade copper-gold mineralization, detected by diamond drilling, in the area of the old underground workings. The geological environment on the property indicates the possibility of an alkaline intrusive porphyry deposit, similar to Continental Gold Corp's, Mt Milligan deposit and Lysander's, Cat Property

The 1988 geochemical survey outlined extensive areas with anomalous copper-gold values.

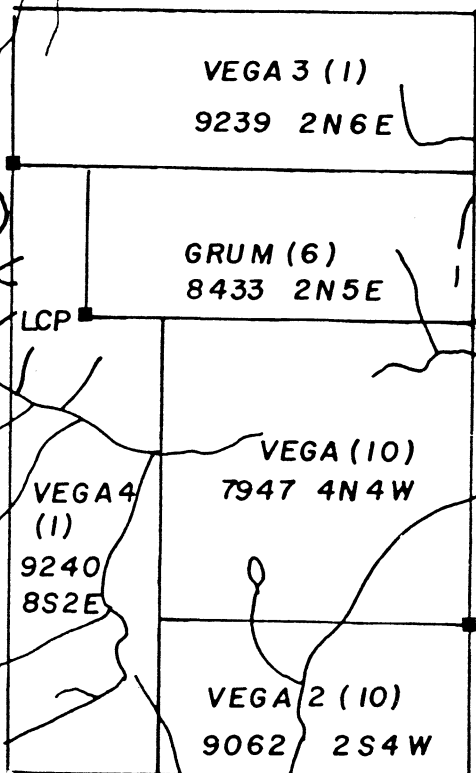
## SUMMARY AND CONCLUSION

With minimum work the underground workings can be reopened to allow for a detailed sampling and mapping program . The sampling should confirm the ore section (35 feet of 1.46 % copper and 0.14 ounces per ton gold) reported by D.C.Malcolm in 1938.

The present road access, due to the active logging in the area, is within 3.5 Km. from the Claim Group. Further logging could provide road access even closer to the Property. A trenching program of the soil anomalies could then be conducted with minimum expenditures.

The exploration results obtained to date, strongly indicate wide spread copper-gold mineralization in a geologically favourable environment. Further exploration is required to determine the potential of the Vega Property.

94C/3W



VEGA CREEK

THANE CREEK

# CANMINE DEVELOPMENT CO. INC.

DATE: Feb. 1988

## VEGA CLAIMS

Drawn by: R.W.

