



860839

**MEMORANDUM**

TO: File DATE: May 26, 1989  
FROM: R. B. Pease FILE # 024993  
RE: Knut Property, NTS 92I/9

**INTRODUCTION**

A data package on the above property was submitted by Mr. Ken Ellerbeck of Salor Scientific Inc. for review. Salor is interested in optioning the property. I conducted a field examination on 25/04/89 which consisted of examination and sampling of old diamond drillcore stored on the property.

**LOCATION**

The property is located 7 km south of Kamloops. Road access is easily gained to most of the property. The Ajax Cu-Au porphyry deposit, currently being developed by Afton Mines, is approximately 2.5 km to the west. The area covered by the claims consists of gently rolling open grasslands.

**CLAIMS AND STATUS**

The property consists of 4 mineral claims (38 units total), 3 fractional claims, and 1 reverted crown grant. The recorded owners are either Mr. M. McElgunn or Mr. K. Ellerbeck (both of Kamloops), who have optioned the claims to Salor.

The area of the claims is currently used for ranching, and the surface rights (deeded land) is held by Afton Mines. A significant portion of the MD-1 claim is overstaked on claims owned by Abermin Corporation (see attached sketch map). As yet, Abermin has not been contacted with regard to their interests in the area.

Continued.....

## HISTORY

The area of the current claims has seen considerable exploration work in the past. This work is summarized on the attached Table 1. IP surveys followed by percussion and diamond drilling have been effective on the property, as well as on other deposits and prospects in the Ironmask Batholith.

## CAPSULE GEOLOGY

The claims are underlain by rocks of the Ironmask Batholith, including the Cherry Creek formation which hosts several of the known Cu-Au porphyry deposits and showings in the Batholith.

The property is essentially devoid of outcrop. Generally, overburden is believed to thicken from the north to south.

A 1000 metre wide, northwest-southeast trending, unit of Cherry Creek diorite is believed to transect the property from north to south. It is flanked by gabbroic rocks of the Ironmask, which is in turn flanked by Nicola volcanics near the eastern and western margins of the property (see sketch map). This geologic interpretation is based more on a projection of regional mapping, rather than on property mapping and compilation of drillhole data.

## MINERALIZATION

A small body of copper mineralization (300,000 t @ 0.30 % Cu) was been outlined by drilling in the north-central portion of the property. No assays for gold were done in the previous work programs.

As part of PDI evaluation, 15 samples of old drillcore were taken from intervals that appeared to have some copper mineralization (chalcopyrite). This sampling was done in an attempt to determine if significant gold values are associated with the copper mineralization. Unfortunately, it appears that in the best Cu-mineralized sections, the whole core was sampled. The results of the sampling is listed as follows.

Continued.....

<u>DDH</u>	<u>Sample</u>	<u>Interval</u>	<u>Length</u>	<u>Au(ppb)</u>	<u>Ag(ppm)</u>	<u>Cu(ppm)</u>	<u>Mo(ppm)</u>
?	24876	106-112'	6'	15	1.1	81	26
IM13	24877	102-107'	5'	10	<0.1	645	6
IM13	24878	120-127'	7'	5	0.1	321	8
IM13	24879	139-147'	8'	20	0.1	1900	7
IM20	24880	105-112'	7'	260	1.6	581	31
?	24881	50-55'	5'	30	0.3	398	3
?	24882	190-198'	8'	30	0.1	249	3
IM25	24883	115-139'	24'	170	0.1	1800	2
IM20	24884	192-202'	10'	25	0.1	18	5
IM20	24885	123-130'	7'	40	0.2	44	10
IM15	24886	114-119'	5'	15	0.1	1200	5
IM25	24887	119-129'	10'	30	0.2	1100	6
?	24888	?	10'	25	0.2	1000	23
?	24889	74-84'	10'	5	0.1	152	14
?	24890	266-279'	13'	30	0.1	286	1

Two samples, 24880 and 24883 from holes IM20 and IM25, have anomalous gold concentrations which are also associated with elevated copper values. Holes IM20 and IM25 were drilled approximately 200 and 100 metres respectively, west and north of the Cu-mineralized body.

Sample 24880 was an intensely clay altered rock hosting blebs of pyrite with minor chalcopyrite. Sample 24883 was an epidote and K-feldspar altered, brecciated, fine-grained diorite. Pyrite occurred lining fractures and in disseminated blebs.

#### EXPLORATION POTENTIAL

The geologic setting is appropriate for hosting a bulk tonnage relatively low grade Cu-Au "Afton-type" porphyry deposit.

Previous surveys have determined a 1200 by 700 metre, northwest-southeast trending, IP metal factor anomaly in the northern area of the property. Another east-west trending, 2000 by 500 metre metal factor anomaly is located in the southern portion of the property. Only the southern zone has been partially tested by percussion drilling. The northern zone also has a, partially coincident, plus 100 ppm Cu-in-soil anomaly.

Continued.....

Salor has recommended a program of soil geochemistry (mercury), IP, and followed by percussion drill testing. I believe the soil geochemistry would be of little use, and a work program should consist of IP, followed by percussion drilling.

RECOMMENDATION

The property should be considered for optioning. Cu-Au porphyry systems are currently very much in vogue. The Ironmask Batholith is certainly the most prolific producer from this deposit type in the province. The Knut property presents an opportunity to acquire ground in the batholith which has excellent potential.

Salor has invested very little in the property, and thus should not expect a large cash payment. They are also in the process of getting a listing on the Alberta Exchange and are keen to make a deal with a major company. An agreement with first year terms of \$25,000 cash and work commitment of \$250,000 would not be unreasonable.

Abermin should also be contacted with regard to their land position, and perhaps the property could be further consolidated.

Rob Pease

A handwritten signature in black ink, appearing to read 'Rob Pease', with a long horizontal flourish extending to the right.

Enclosed - Table No. 1  
- Sketch  
- Assay Results

c.c. E. Kimura  
RBP-ars  
16/05/89

TABLE NO. I

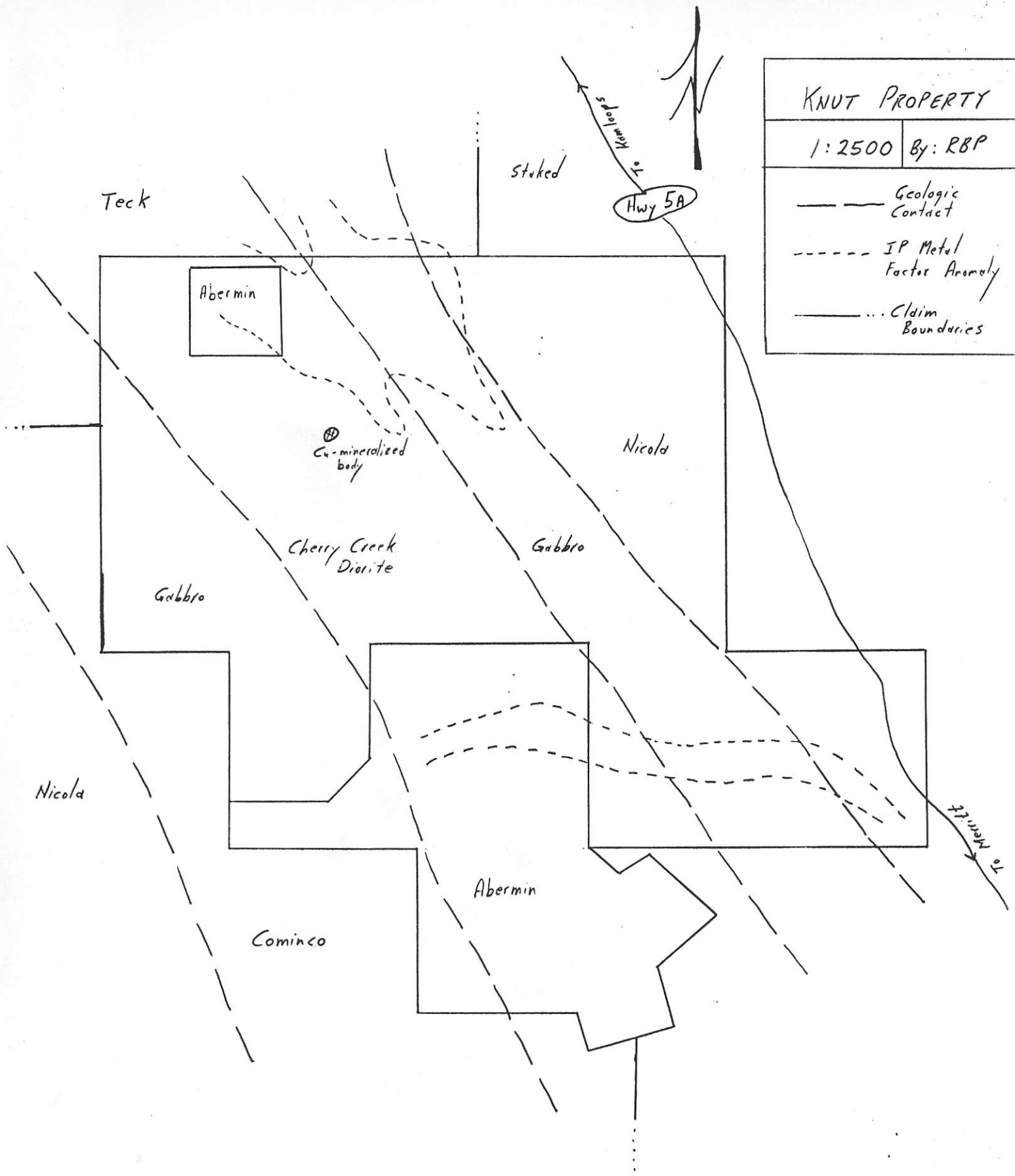
## Catalogue of Work Performed on the MD claims Area 1969 to 1987

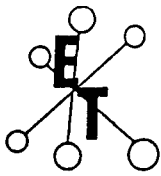
YEAR	COMPANY	WORK		EQUIPMENT	INITIAL COSTS		CURRENT VALUE	REFERENCES	
		TYPE	QUANTITY		ON RECORD	ESTIMATED			
1969	Royal Canadian Ventures Ltd.	Grid	40 line miles (64.5 km)	Sharpe MF-1 Fluxgate Mag.	5083.00	-----	4000.00	AR 1748 N.B. Vollo	
		Magnetometer	37 line miles (59.7 km)				2775.00		
		Geochemistry	37 line miles (59.7 km)					4625.00	
1969	Royal Canadian Ventures Ltd.	Induced Polarization	15.4 line miles (24.9 km)	McPhar I.P. Unit Model P-650 0,3 & 5.0 Hz	-----	3696	10010.00	AR 2160 J.A. Woodard N.B. Vollo	
1969	Great Plains Dev. Co. of Canada Ltd.	Geological Mapping & Sampling	5.5 line miles (24.9 km)		889.00	-----	1350.00	AR 2143 W. Bacon	
		Grid	5.9 line miles (8.9 km)	Sharpe MF-1 Fluxgate Mag.	412.50	-----	550.00	AR 2144	
		Magnetometer			412.50			412.50	A. Mullan
		Geochemistry			550.00			687.50	P.G. Hallof
		Induced Polarization	5.5 line miles (8.9 km)	McPhar I.P. Unit 0.3 & 5.0 Hz	1314.00			3575.00	
1970	Great Plains Dev. Co. of Canada Ltd.	Percussion Drilling	9 holes-2060' (628m)	-----	-----	6180	16995.00	Private Report G.E. Delane Bacon & Crowhurst Ltd.	
1972	Craigmont Mines Ltd.	Diamond Drilling	16 holes-3025' (922m)	-----	21175.00		24956.25	Drill logs N.B. Vollo	
		Rotary Drilling	3 holes-298' (90.8m)		-----	968	2607.50	Drill logs N.B. Vollo	
		Percussion Drilling	15 holes-3190' (973.3m)		-----	9570	63800.00	GEM, 1972, pl94	
1973	Craigmont Mines Ltd.	Diamond Drilling	9 holes-2286' (696.8m)	-----	16002.00	----	45720.00	AR 4844 N.B. Vollo	
1987	Glitter Gold Mines	Grid	77.5 km	Geometrics G816/826A	-----	----	38850.00	Titan Consultant Invoice	
		Magnetometer	52.0 km	Proton Magnetometer					
					<u>45838</u>	<u>20414</u>	<u>220914</u>		

KNUT PROPERTY

1:2500 By: RBP

- Geologic Contact
- - - - IP Metal Factor Anomaly
- ... Clidim Boundaries





# ECO-TECH LABORATORIES LTD.

ASSAYING - ENVIRONMENTAL TESTING  
10041 East Trans Canada Hwy., Kamloops, B.C. V2C 2J3 (604) 573-5700 Fax 573-4557

MAY 2, 1989

## CERTIFICATE OF ANALYSIS ETK 89-194

Placer Dome Inc.  
401, 1450 Pearson Place  
KAMLOOPS, B.C.  
V1S 1J9

DATE RECEIVED:	APRIL 26, 1989	REJECTS:	DISCARD MAY 26, 1989
PROJECT:	1E - GENERAL	PULPS:	DISCARD JULY 26, 1989
NUMBER SAMPLES:	18	NOTE :	< = LESS THAN
TYPE SAMPLES:	DRILL CORE/ROCKS	:	> = MORE THAN

ET#	Description	AU (ppb)	AG (ppm)	CU (ppm)	CU (%)	MO (ppm)	MO (%)
194 - 1	24876	15	1.1	81		26	
194 - 2	24877	10	<.1	645		6	
194 - 3	24878	5	.1	321		8	
194 - 4	24879	20	.1	>1000	.19	7	
194 - 5	24880	260	1.6	581		31	
194 - 6	24881	30	.3	398		3	
194 - 7	24882	30	.1	249		3	
194 - 8	24883	170	.1	>1000	.18	2	
194 - 9	24884	25	.1	18		5	
194 - 10	24885	40	.2	44		10	
194 - 11	24886	15	.1	>1000	.12	5	
194 - 12	24887	30	.2	>1000	.11	6	
194 - 13	24888	25	.2	>1000	.10	23	
194 - 14	24889	5	.1	152		14	
194 - 15	24890	30	.1	286		1	
194 - 16	S1	5	12.8	>1000	1.25	>1000	.12
194 - 17	S2	205	9.7	>1000	.15	>1000	.14
194 - 18	S3	30	10.3	>1000	.73	>1000	.16

} another property

*Frank J. Pezzotti*  
 ECO-TECH LABORATORIES LTD.  
 Frank J. Pezzotti, A.Sc.T.  
 B.C. Certified Assayer

F A X  
SC89/PLACER1

*Rob*