

SUMMARY NOTES
ELK PROPERTY

Legal

Have now earned 50%. To earn 58%: notify partners by May 1st., 1976 and complete extra \$50,000 of work by June 1st., 1977.

Next step: to develop an operating agreement with partners either now or by June 1st., 1977.

Technical

The overall picture is one of moderately good basal till metal values, but with fair to poor inter-metal correlation. General alteration (epidote, chlorite, biotite and pyrite) is good, but very little encouragement resulted from the Sr/BA and Rb/Sr ratios experiment. The Induced Polarization test showed a wide range of disseminated metallic mineralization, comparable to the range at the Island Copper property.

The best characteristics may be summarized as follows:

- (1) 0.1% Cu over 70' in D.D.H.#1.
- (2) Island Copper type (biotite) alteration associated with the drill hole copper.
- (3) Abundant "lesser significance" type alteration within the Bonanza volcanics.
- (4) Highly permissive Induced Polarization effects.
- (5) Favorable, generalized basal till anomaly groupings associated with some structural and lithologic complexity.

Specific Targets

These have been difficult to define as yet, but a preliminary listing of possibilities follows:

Area 2 - The northerly end of this area has been more or less tested by diamond drill holes #1 and #4. However, an interesting feature is present in the southerly section, centered around 52E and 30S. A roughly correlated copper and Induced Polarization anomaly is fringed by a strong, distinctively circular zinc anomaly, some 1,000 feet in diameter. The

Elk Property Summary Notes - Cont'd.

The Percent Frequency Effect in the core is favorable to slightly high, and the resistivity is high, comparable to that over the main intrusive elsewhere on the property. The copper peaks at 640 ppm. and the zinc at 1300 ppm. The molybdenum tends to be sub-anomalous at 3 to 4 ppm. and, like the zinc, is generally peripheral to the copper. The whole feature is adjacent to a possible dyke and Rb/Sr ratios are slightly above average in the core.

The feature is interpreted as a possible intrusive stock. It could be tested by a 1,000-foot diamond drill hole, either: at 52E/32S, -60° to N.E.; or, at 48E/24S, -60° to N.E.

Area 1 (North end of Line 8E) - This area is characterized by a molybdenum anomaly 3,000 feet long and 1,500 feet wide, peaking at 58 ppm. and averaging 20 ppm. The north end has some copper correlation (126 ppm.), and is in the vicinity of favorable Cu/Cux, Sr/Ba, and Pb/Sr ratios.

This anomaly could be tested by a single hole, possibly at 8E/48N, inclined 60° to the N.E. However, Induced Polarization coverage (about 4 line miles), and possibly, some further basal till drilling (30 holes), is desirable prior to spotting such a hole.

Area 3 - In Area 3, we have a strong, coherent, but incompletely delineated, copper basal till anomaly 3,000 feet long and 400 feet wide peaking at 535 ppm., with 6 samples averaging 369 ppm. Cu. There are two anomalous molybdenum values, two favorable Cu/CxCu ratios, and a closely associated Sr low. There is some minor malachite noted just off one end of the anomaly, and two anomalous rock chip samples 1,000 feet north of it. Finally, it correlates with an intense Percent Frequency Effect anomaly on the only Induced Polarization¹ line which crosses it.

With the present data, there are 3 possible drill targets, of which 2 would be ideally necessary to test the anomaly. These would be at 40W/12N, 36W/8N, and 24W/4S. However, as for Area 2, some additional Induced Polarization (5 line miles) and basal till sampling (15 holes) would be desirable.

Elk Property Summar Notes - Cont'd.

Conclusion

On the assumption that we elect to earn the additional 8% interest in the property, we are facing a minimum complete 1976 program approximately as follows:

Overburden drilling - 50 holes @ \$85.00/hole	\$	4,250.00
Induced Polarization - 10 miles @ \$530.00/mi.		5,300.00
Daimond drilling Ax - 3,600 ft. @ \$18.00/ft.		<u>64,800.00</u>
Total	\$	<u>74,350.00</u>

A partial test might be carried out, however, to fulfill the \$50,000 requirement.

Vancouver, B.C.
January 1976

D.A.

DAVID ARSCOTT

ADDENDUM

Characteristics of Possible Drill Hole Sites

	Area 2		Area 1		Area 3		
	52E/32S	48E/24S	8E/48N	16E/52N	40W/12N	36W/8N	24W/4S
Basal Till Values (ppm)							
Cu	420	220	126	176	535	475	430
Zn	78	320	87	248	103	78	269
Mo	3	3	58	5	1	2	25
Cu/Cux	High	Low-mod.	Mod.	High?	High	Mod. +	Mod.
Sr/Ba	Mod.	Mod. +	Mod.	High?	Mod.	Low	Low
Rb/Sr	Mod.	Low	Mod.	?	Mod.	High	High
* Total Metal Effect	727	415	1258	163	375	627	690
Induced Polarization							
P.F.E.	High	High	-	-	Very high	?	?
Resistivity	High	High	-	-	Low	?	?
Magnetics	Disturbed		Low	Mod.	Disturbed nearby	Low,sl. erratic	Low
Lithology	Bonanza	Bonanza	Near rhyo, intrusive contact	Rhyo.	?	?	?
Other	About 500' from rhyo.	Good values in up-dip direction. About 1,000' from rhyo.	Good values in up-dip direction				

*Total Metal Effect = (Cu-Cux + 10 Mo)Xf(P.F.E.)

Where f(P.F.E.) is determined from graph, arbitrarily constructed to emphasize P.F.E. 8 to 18% range