

July 9th, 1973.

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LUC SUNDICATE  
PROGRESS REPORT  
SECOND QUARTER - 1973

From a logistics standpoint, our second full scale program in the Babine Lake country is proceeding satisfactorily.

The area was visited early in May by our Exploration Superintendent, Mr. J.C. Stephen, who found extensive snow at lake level (2332'). On May 24th, LUC base was established on the Nilkitkwa road, 58 miles by road from Smithers. The base is halfway up the west arm of Babine Lake, a mile or so west of the lake.

In spite of snow, the helicopter-supported program got underway on May 27th. There are 16 people employed directly on this operation, including Mr. Stephen. Four parties are engaged in grass roots exploration, one in follow-up work on properties of merit staked last year.

A total of 111.4 hours were flown by the helicopter to June 27th, of which 66.4 were sold to other mining companies and 45.0 hours were charged to LUC Syndicate.

Other companies prospecting the area include Noranda, Amoco, Pechiney, Cities Service, Amax, Kerr Addison and Quintana.

A large party of G.S.C. geologists has been in the area during June, using a Hughes 500 helicopter. This party will shortly be reduced in size from 22 men to 5.

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A pre-print of a preliminary geological map (1" = 1 mile) by N.C. Carter of the B.C. Department of Mines has been received and has been used, particularly in discussions with Carter and the G.S.C.

On the basis of helicopter reconnaissance as well as previously obtained geochemical information, a 250 square mile area of Cretaceous sediments and volcanics is now considered unfavourable.

### THE PROGRAM

#### GENERAL

The BFP (biotite feldspar porphyry) is still the magic word as the 3 known copper mines are in this rock type. However, a number of promising prospects (including Lennac Lake) occur in a somewhat older (77 million years) intrusive. Should any prospect in this latter category develop into a mine, this would widen the scope of prospecting in the area.

This is not to say that there are only two intrusive types in the area. Actually, the LUC work has revealed a bewildering array of 'granitic rocks', intrusive and extrusive, porphyritic and non-porphyritic, fine-, medium- and coarse-grained. With increasing knowledge of the area, the complexity of the geology is certainly becoming more obvious, but there is no reason thus far to modify the standard LUC procedure:

1. Prospecting (largely silt sampling) and geological mapping.
2. Magnetometer work and soil sampling.
3. Linecutting and Induced Polarization.
4. Drilling.

In the same general area, one crew is investigating the Takla-Sustut terrain for stratabound deposits and another crew is in the south, on Tachek Mountain, following up 1972 geochemical indications and keeping an eye open for gold-quartz vein possibilities.

#### DETAIL

##### Camp 1 (HOL group)

This group, which was largely staked last year, has had linecutting, additional soil sampling, magnetometer surveying, geological mapping and an Induced Polarization survey carried out on the ground.

Fracturing with minor magnetite, pyrite, molybdenite and chalcopyrite occurs in a BFP similar to that at Granisle.

The IP survey indicates a significant, crescent-shaped anomaly immediately south of and closely related to the mineralization found. The anomaly coincides with the assumed contact between hornfels and the intrusive at its southern margin. Some additional IP is required and the grid has been extended to prepare for this. Additional claims have been staked, east and west, for protection.

This IP anomaly plus the favourable geology constitutes a drill target. An assessment report is now being prepared, copies of which will be mailed to the Parties.

Drilling will require 4 miles of road building for access to the claims.

##### Camps 2, 3, 4

These were for the purpose of investigating areas of interbedded sediments and volcanics. Minor copper was found at Camp 4, in volcanics.

Camp 5

A local magnetic high was investigated here. No outcrop was found over the immediate target but dykes of BFP were found, mineralized with pyrite; chalcopyrite was found in calcite fractures in adjacent altered sediments. 24 (BREE) claims have been staked and silt and soil sampling have just been started.

Camp 6 (ROJO group)

A grid has been established as control for magnetic and IP surveys. The IP is expected to be started by July 10th.

Camp 7

Involved investigation of rhyolite bodies and a feldspar quartz porphyry breccia. No mineralization of interest was found. Some silt and soil sampling was done with negative results.

Camps 8, 11 and 13

These camps were established to investigate geology and aeromagnetic anomalies in the vicinity of large claim blocks held by Quintana, Teck, Ducanex and Noranda.

Intrusives not shown on published maps were found and, from this standpoint, the area appears interesting.

Camps 9 and 10

Minor mineralization was found here in 1971-72, and it is considered possible that this area will be found to be similar to the Sustut.

Widespread, but minor, copper mineralization has been found in conglomerate beds. North of Camp 10, float containing bornite and chalcocite has been found.

Camp 12

Detailed mapping, silt and soil sampling are being undertaken in an area found to be anomalous (from 1972 silts) for Mo, Zn, Ag, Cd.

Camp 14 (FORT group)

This group is just now being subjected to geological mapping, soil sampling, etc. Because of its elevation (4200 ft.), work was impossible prior to this.

This group is in one of B.C. Department of Mines geologist N.C. Carter's favourite prospect areas.

CONCLUSIONS

Work is proceeding satisfactorily, even though it has been a cold, rainy summer thus far - with the snow still in extensive patches at unusually low elevations.

There are a number of items of immediate interest:

1. The HOL program which will undoubtedly involve drilling.
2. The ROJO program with IP commencing shortly.
3. The FORT program.

The program will be accelerating in the third quarter, now that snow conditions are somewhat improved. Moreover, we will now be retaining the helicopter more for our own use.

LENNAC LAKE

Bulletins on the Lennac Lake percussion drilling program will be issued at weekly intervals - exactly as they are received from Amax. The first has already been mailed.



W.R. Bacon,  
Manager - LUC Syndicate

LUC SYNDICATE  
FINANCIAL REPORT  
SECOND QUARTER - 1973

GENERAL PROGRAM

<u>Account</u>	<u>Period</u> <u>Apr. 1 - June 30</u>	<u>Year to Date</u>
Accounts Receivable	1,208.20	1,208.20
Machinery & Equipment	5,036.28	5,036.28
Purchases - Food	2,621.35	2,561.52
Purchases - Maps, Photos, Publications, etc.	1.90	717.37
Assessment Recording	361.00	361.00
Claim Recording	130.00	130.00
Sub-Contracts	5,251.81	5,986.81
Geochemical	1,259.98	1,259.98
Workmen's Compensation	685.42	685.42
Unemployment Insurance	138.75	156.21
Pension Expense	175.90	198.40
Tools & Supplies	2,328.02	3,068.35
Blueprinting, Drafting & Supplies	51.31	176.05
Rent (warehouse)	100.00	285.00
Aircraft Rental	7,509.91	7,509.91
Truck Rental	1,019.21	1,019.21
Repairs - Equipment	154.54	235.55
Vehicle Operating Costs	1,604.60	1,834.25
Travel Expense	1,573.16	1,614.96
Salaries	13,594.52	17,794.52
Office Expense	1,500.00	3,000.00
Telephone, Postage, Express, Cartage, etc.	255.41	341.66
Insurance	967.00	1,557.00
Management Fee	4,500.00	9,000.00
Licenses & Dues	165.00	265.00
Interest, Bank Charges & Accounting	3.65	3.65
Misc. Expenses	<u>191.10</u>	<u>563.58</u>
TOTAL EXPENDITURES	52,388.02	66,469.88
PLUS BANK BALANCE - June 30, 1973		25,627.43
LESS BANK BALANCE - Dec. 31, 1972		<u>2,097.31</u>
TOTAL CONTRIBUTIONS 1973		\$90,000.00