

History repeating itself in renewed activity in Atlin gold camp

The Atlin area is located on the eastern margin of the Coast Mountains of British Columbia, just southeast of the Yukon Plateau. It is an area of wide, U-shaped valleys flanked by low, rounded mountains.

While driving cattle into Dawson in 1897, a man named Miller discovered placer gold in the Atlin area. News of the find resulted in the first claims being staked on July 8, 1898, and by the end of that season more than 3,000 people were camped in the area.

Only eight creeks, the Birch, Boulder, Ruby, Pine, Spruce, Otter, Wright, and McKee, have been important producers in the Atlin camp. All were discovered by the end of 1898, although overburden problems delayed production from Ruby Creek until 1906.

Uninterrupted placer mining in the Atlin camp has produced some one million ounces of gold since 1898. Spruce Creek, the richest stream in the camp, has yielded more than 40% of this gold. The pay streak along Spruce Creek is more than three miles long, exceeds six feet in thickness, and is up to 200 feet wide.

Near the southern end of the pay streak, the gravels are reported to have averaged about two ounces of gold to the yard along a 2,000-foot section of the creek.

All important placer gold production has been from rich Tertiary gravels buried beneath a thick blanket of barren glacial till. The gold recovered from the Atlin area is very coarse and many large nuggets have been found. The fine gold as well as the nuggets is often found intergrown with quartz which, in many cases, occurs as euhedral crystals.

The gold is generally stained with manganese, especially near the upper ends of the pay streaks. Large nuggets are often encrusted with manganese oxide.

In 1948 and 1950, British Columbia Department of Mines Geologist J.M. Black spent a total of three-and-a-half months mapping and investigating the Atlin placer camp.

Black proposed that two mineralized zones were responsible for most of the placer gold in the camp. He suggested that gold of the McKee, Spruce, Otter, and Wright creeks came from a zone that extends across the upper parts of the four creeks. He believed that the gold on the Birch, Boulder, and Ruby Creeks came from a zone that extends across the heads of these creeks.

Gold-bearing quartz veins were first discovered in the Atlin area in 1899 and by 1905 most of the known showings had been discovered, although the original veins have been reworked many times. In the veins, free gold occurs as fine disseminations,

usually stained or encrusted with manganese oxide.

Currently, the historic Atlin gold camp is the scene of renewed activity, with the Hughes-Lang Group of mining companies playing a major role.

One Hughes-Lang company, Cream Silver Mines Ltd., has carried out preliminary exploration work on its Atlin property that has values of gold, tungsten, tin, and silver. Diamond drilling is planned for the near future.

Also, Cream Silver has completed an agreement with the Surprise Lake Syndicate, 50% owned by Standard Gold Mines Ltd., for a joint venture exploration program on a group of claims adjoining the Tri-

West/Canova discovery.

Exploration by Cream Silver in the Atlin area in 1986 is expected to total C\$200,000.

Ezekiel Exploration Ltd., a Hughes-Lang company that is yet to be listed, has three properties in the Atlin area on which an airborne survey was flown in 1984, followed by ground geophysical work. An anomaly was defined, and geologist Ralph Gonzales has recommended a two-phase program of further exploration.

The company plans joint venture work on the site with yet another Hughes-Lang company, Gabriel Resources Inc.

Homestake Mineral Development Co. has signed an option with Canova Resources Ltd. and Tri-Pacific Resources

(formerly Tri-West) that covers all the claims surrounding and including the Yellow Jacket discovery. This year, the joint venture partners have been engaged in linecutting, geophysics, road building, and diamond drilling.

Queenstake Resources Ltd. also is involved in the Atlin area and is evaluating some underground sampling and pit testing on three projects (Spruce Creek, Pine Creek, and O'Donnel River) with a 1986 exploration budget of C\$200,000.

With the kind of money and talent that is being invested in the Atlin gold camp, there is little doubt that the Atlin area will again be a significant precious metals producer. ✕

Gunsteel Resources

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exploration work as well as a number of geologically favorable unexplored areas. The numerous gold-bearing veins in the Sheep Creek camp typically contain ore in quartzites along two major anticlinal structures. The Gunsteel-Nugget claim holdings cover seven miles of strike length on these two structures. Very little of the property has been tested using modern exploration methods.

Production from the Nugget and Motherlode mines began about 1906 and a 100-ton-per-day mill was constructed for the Motherlode mine in 1912. The Reno mine commenced production in 1929 and continued mining and milling ore from it and the other properties until 1941.

Alfred Endersby leased parts of the Nugget and Motherlode mines in 1938 and purchased these and the Reno mines in 1941. Since 1941, the Endersby family have held the claims and have carried out limited mining operations from 1938 to 1958, 1970 to 1973, and 1980 to 1981.

They formed Nugget Mines Ltd. in 1973 and have substantially increased the property holdings since that time. Gunsteel has an option/joint venture agreement with Nugget Mines whereby it can earn a 50% interest in the property.

President Stan Endersby says: "Our initial work will be directed to the Nugget-Calhoun vein system where there already exists about 38,000 tons of readily mineable proven and probable ore reserves grading 0.35 ounces per ton. One of the main objectives of the program will be to top increase these reserves."

Geochemical and geophysical work will be done simultaneously on surface on other parts of the property to test the 20 known vein structures and the other geologically favorable unexplored areas. Approximately C\$330,000 of the flow-through funds is planned to be spent on this exploration work.

D.G. Allen, geological engineer and vice president of Gunsteel, says the exploration potential is considered excellent for establishing a minimum objective of 75,000 to 100,000 tons of ore on the Nugget property. This is the minimum tonnage considered necessary to make the installation of a mill and commencement of production feasible.

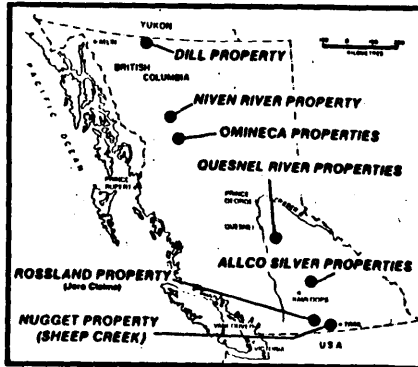
Rehabilitation work is now taking place in the old Nugget mine to reach the exploration targets and it is estimated that drifting and diamond drilling can commence on the Nugget-Calhoun vein system before the end of August, 1986.

The initial work is proceeding on the Nugget No. 4 level, with later work planned to obtain access to the same structure from the Motherlode No. 5 level 625 feet below, and the Motherlode 4900 level, another 625 feet below that, to test the unexplored sections of the Calhoun vein.

While this 1,250-foot vertical section of vein is completely untested at these levels, the adjacent old workings are close to this vein and are in good condition, so that the amount of development work required to reach the vein is minimal.

Gary Allen, P.Eng. and mine manager, is responsible for these programs at the Nugget property. Allen was previously a professor of mining engineering at the South Dakota School of Mines and prior to that had considerable experience in mine development and operation.

The Nugget mine is only 12 miles from Salmo, British Columbia by road so that no



accommodation facilities are required at the mine site. Preparation is being made to winterize the camp so that the underground exploration work can continue through the winter months.

Elsewhere, exploration crews are being mobilized for exploration on the Allico and Rossland properties. The Allico silver property, which is 20 miles northeast of Revelstoke, presently comprises 76 claim units totaling 4,700 acres. The exploration work is designed to further develop new targets. This property is covered by a belt of Lower Cambrian sedimentary rocks in the Kootenay Arc, which hosts numerous important deposits and mines through southeastern Mississippi Valley-type and stratabound deposits. The high silver and gold values suggest a comparison with the Midway

property of Regional Resources in northern British Columbia.

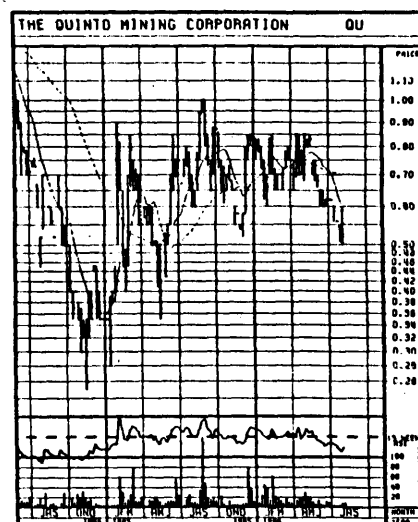
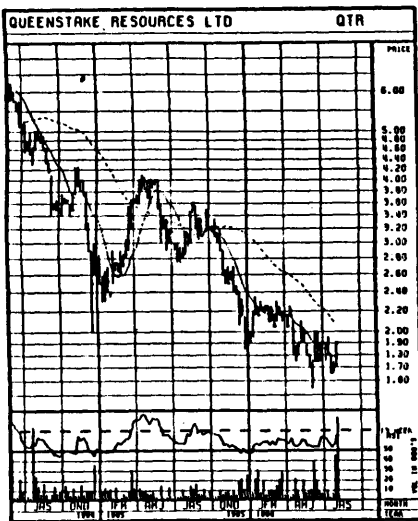
Gunsteel's Jero property is in the Rossland gold camp, which produced 2.7 million ounces of gold, the second largest in terms of gold production in British Columbia. Exploration potential is considered favorable within the 73 claim units (4,700 acres) due to the significant electromagnetic anomalies and associated anomalous lead, zinc, and gold values in soils.

Detailed geological mapping, prospecting, geochemical sampling, and electromagnetic surveying to define drill targets are planned.

Gunsteel has a joint venture agreement with Asitka Resources on 768 claim units in the Omineca Mining Division of British Columbia. Exploration is designed to explore for paleoplacer gold deposits of the Witwatersrand (South Africa) type in Cretaceous conglomerate of the Sustut group.

Wilfried Meyer, P.Eng., geological consultant, has assessed the Omineca properties, and in review states, "The Gunsteel claims lie in an area of great mineral potential."

The company also holds 16 claim units in the Quesnel River area, 1.8 to 2.4 miles north of Dome Mines' QR gold deposit. Work on this property will commence in 1987, although some preliminary work may be done this year. ✕



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Toodoggone, Northern British Columbia

- Multiple high grade occurrences typical of bonanza epithermal deposits.
- High grade stockpiled ore being processed in pilot plant operations.
- Diamond drilling, ore reserve and pre-feasibility studies in progress.

Gold Springs, Utah/Nevada

- Several formerly producing mines; 5200 acres; property exploration in its 4th year.
- Potential for epithermal 'bonanza' high grade gold deposits and bulk tonnage disseminated gold.

Drilling programs were conducted on both properties in 1985 and are continuing in 1986. Some spectacular gold values obtained.

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