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PROJECT 205

AIRBORNE GEOPHYSICAL SURVEY CONDUCTED ON THE BAEZ GOLD PROSPECT

52°45'N 124°15'W
CARIBOO MINING DIVISION
BRITISH COLUMBIA
NTS 93C/9 & 16

ANNUAL WORK APPROVAL # PRG-1993-1101250-4-5549

by

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Work Paid for by

Phelps Dodge Corporation of Canada, Limited
Suite 912 - 120 Adelaide Street West
Toronto, Ontario M5H 1T1

November 8, 1994

Province of
British Columbia

Ministry of
Energy, Mines and
Petroleum Resources
GEOLOGICAL SURVEY BRANCH

ASSESSMENT REPORT
TITLE PAGE AND SUMMARY

TITLE OF REPORT [type of survey(s)]
AIRBORNE GEOPHYSICAL SURVEY

TOTAL COST
$66,980

AUTHOR(S) Geoffrey N. Goodall SIGNATURE(S) Goodall

NOTICE OF WORK PERMIT NUMBER(S)/DATE(S) PRG-1003-1101250-4-5549 May 19 1993 YEAR OF WORK 1993

STATEMENT OF WORK - CASH PAYMENT EVENT NUMBER(S)/DATE(S) 3058635, 3058637

PROPERTY NAME Baez

CLAIM NAME(S) (on which work was done) Baez 16 through 24

COMMODITIES SOUGHT Au

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN

MINING DIVISION Cariboo NTS 93C/9 & 16

LATITUDE 52 ° 45 ' 00 " LONGITUDE 124 ° 15 ' 00 " (at centre of work)

OWNER(S)

1) Phelps Dodge Corporation of Canada, 2) Limited

MAILING ADDRESS

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OPERATOR(S) [who paid for the work]

1) Phelps Dodge Corporation of Canada, 2) Limited

MAILING ADDRESS

As above

PROPERTY GEOLOGY KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size and attitude):

The Baez claims are underlain by a sequence of subaerial basaltic to rhyolitic tuffs, flows and breccias of Cretaceous to Tertiary aged Ootsa Lake Group. Zones of intense argillic alteration occur in dacitic and rhyolitic units on the south portion of the claims. Quartz vein stockworks with banded cryptocrystalline silica noted in three localities. Geochemical anomalies were outlined in the north claim area.

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS Assessment report 16962 (O'Boy claims)

(OVER)

INTRODUCTION

This report summarizes the results of an airborne geophysical survey conducted on the Baez property, central British Columbia. On November 12 and 13, 1994, 862 kilometres of helicopter supported geophysical surveys were conducted. The survey was designed to detect zones of conductive mineralization, siliceous alteration and provide information on the geology and structure of the area. Dighem, of Mississauga, Ontario, was contracted to conduct the helicopter supported airborne survey.

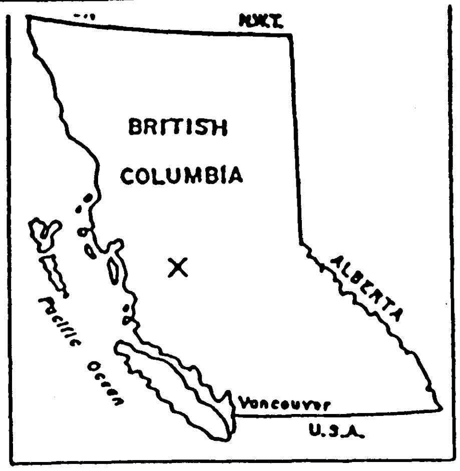
LOCATION AND ACCESS

The Baez claims cover 10,369 hectares (103.7 km^2) in the Interior Plateau region of central British Columbia. The area is located 125 kilometres west of Quesnel, B.C. and 50 kilometres southwest of the locality of Nazko, B.C. (Figure 1). Claims cover several broad marshy drainages which flow north into the Baezaeko River, south into the Clusko River and east into the Clisbako River. Broad ridges with 50 to 100 metres relief form watershed divides between drainages. Vegetation varies from grassy meadows in the lowlands to spruce and pine on the eskers and uplands. Silviculture is active on the eastern margin of the claims.

The south half of the property is accessed via paved highway from Williams Lake, B.C. to Redstone, then by the Clusko-Thunder Mountain Forest Service Road 80 kilometres to the property. The northern portion of the property is accessed by paved highway from Quesnel, B.C. to Nazko then by the Michelle Creek Forest Service Road 70 kilometres west to the property. Several northwest and northeast seismic lines cross the property and provide access for all-terrain vehicles to remote areas of the claim block.

CLAIM INFORMATION

The Baez property consists of 24 mineral claims totalling 459 units located in the Cariboo Mining Division of central British Columbia (Figure 2). The Baez 1 to 15 claims were staked in November, 1992. The Baez 16 to 24 claims were staked in September, 1993. A list of current data for the Baez 16 to 24 claims is given below.



PROPERTY LOCATION

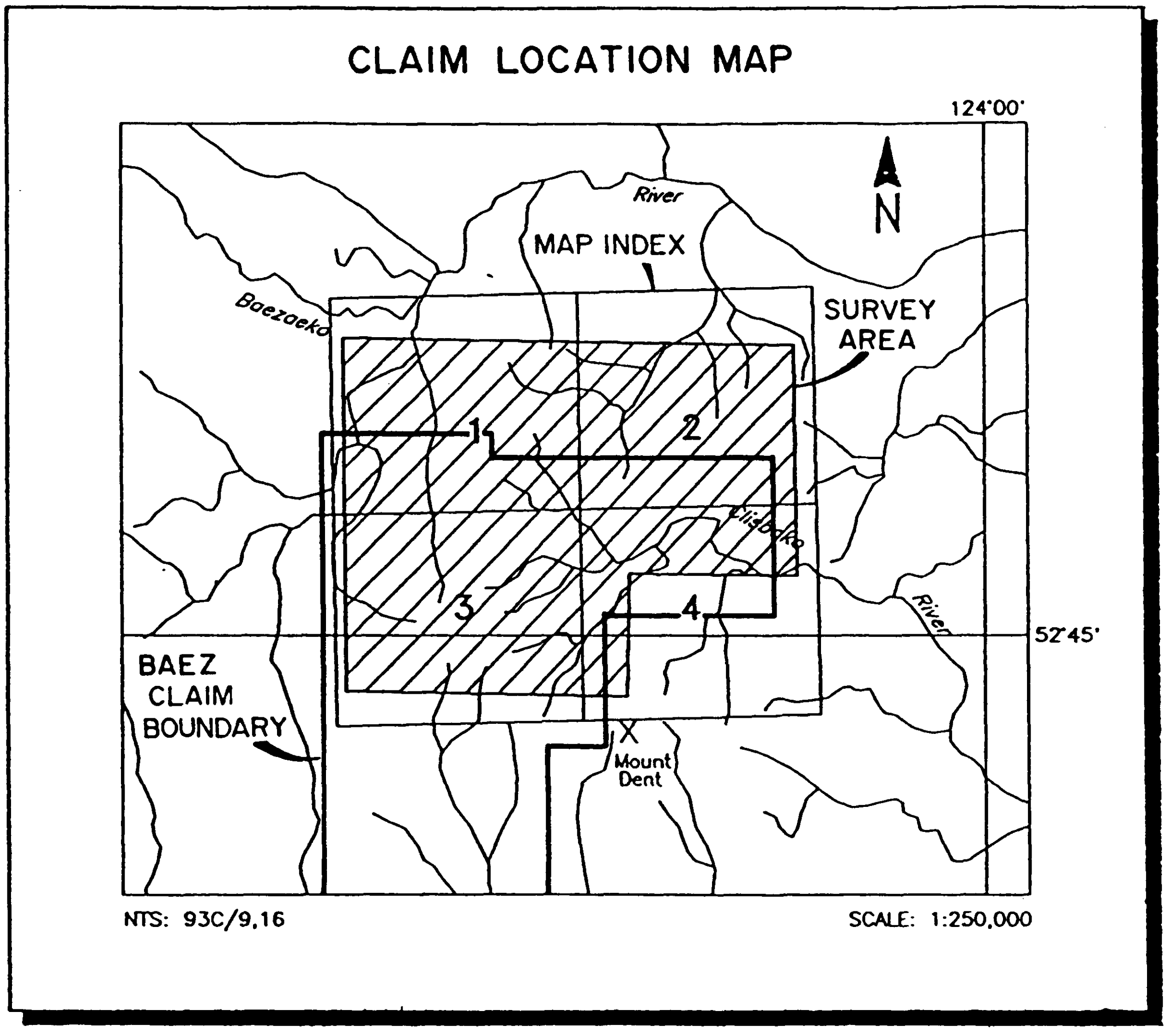
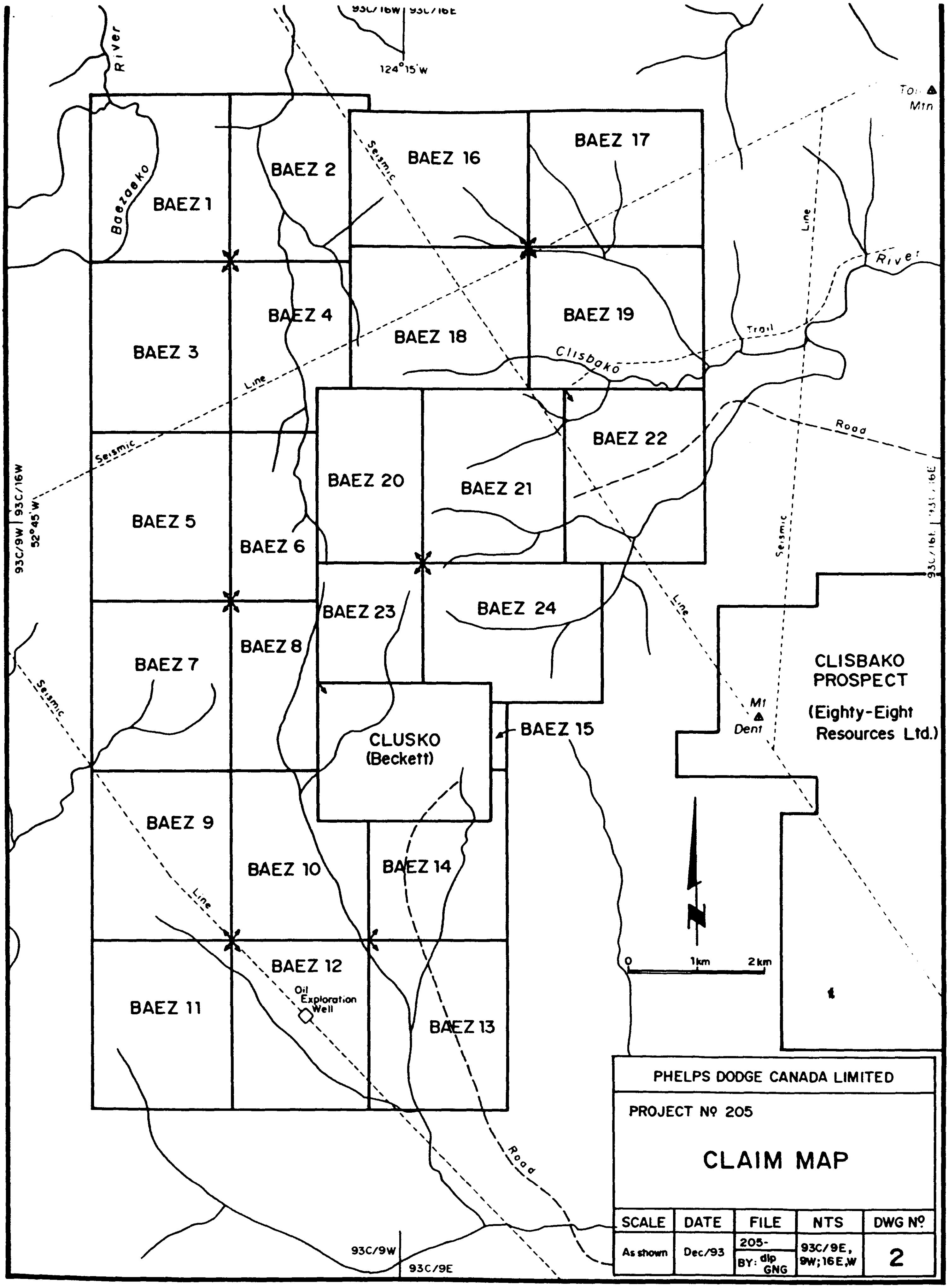


FIGURE 1

PHELPS DODGE CORPORATION OF CANADA LTD.

MT. DENT PROPERTY, BRITISH COLUMBIA - 1157



PHELPS DODGE CANADA LIMITED

PROJECT Nº 205

CLAIM MAP

SCALE	DATE	FILE	NTS	DWG Nº
As shown	Dec/93	205- BY: dlp GNG	93C/9E, 9W; 16E,W	2

Claim Name	Units	Tenure #	Expiry Date
Baez 16	20	321079	September 20, 1996
Baez 17	20	321080	September 22, 1996
Baez 18	20	321081	September 20, 1996
Baez 19	20	321082	September 22, 1996
Baez 20	15	321083	September 19, 1996
Baez 21	20	321084	September 19, 1996
Baez 22	20	321085	September 22, 1996
Baez 23	12	321086	September 21, 1996
Baez 24	20	321087	September 21, 1996

HISTORY

The Chilcotin region has undergone various levels of exploration since the 1880's. More recently, the Black Dome Mine was discovered by Barrier Reef Resources in 1979. In 1980 the B.C. Geological Survey released Regional Geochemical Survey data for mapsheet 92O. Also in 1980 E & B Exploration was actively searching the belt for epithermal-style deposits concentrating on the Watson Bar property. From 1980 to 1988, Dome Exploration conducted regional reconnaissance throughout several mapsheets in the region. A major oil and gas exploration program was conducted by Canadian Hunter Exploration Ltd. from 1979 to 1983. Several deep (+10,000 feet) holes were drilled to test the underlying stratigraphy.

In the Clisbako-Mount Dent area, the first recorded exploration was conducted in 1985 by Rio Algom on the O'Boy claims. Property exploration focussed on a local area culminating in a drill program in 1987. Eighty-Eight Resources Ltd. staked the Clisbako claims in 1989 and optioned the property to Minnova Inc. in 1991. Over their two-year option period, Minnova spent more than one million dollars conducting geological and geophysical surveys, trenching and diamond drilling. The B.C.G.S. is presently mapping in the north portion of the Chilcotin Plateau.

PERMITS AND RECLAMATION

All work conducted on the Baez claims in 1993 was performed under B.C. Ministry of Energy, Mines and Petroleum Resources Annual Work Approval Number PRG-1993-1101250-4-5549 dated May 19, 1993. An amendment to the permit was granted September 17, 1993 to allow a follow-up sampling program. Reclamation is not required as no surface disturbance was performed.

REGIONAL GEOLOGY

The Baez property is centrally located in the Interior Plateau of British Columbia. The plateau covers some 120,000 square kilometres of area between the Coast Mountains to the west and the Quesnel Highlands to the east.

The oldest rocks (Figure 3) exposed in the Chilcotin Reconnaissance project are Pennsylvanian to Permian age Cache Creek Group sedimentary rocks. These are overlain by Upper Triassic to Lower Jurassic Takla Group andesite and basalt flows, tuffs and breccia and associated clastic rocks. Argillite and conglomerate sedimentary rock and andesite flows and breccia of the Middle Jurassic Hazelton Group occur predominantly in the northern portion of the Chilcotin Plateau. This sequence is unconformably overlain by Upper Cretaceous, Paleocene, Eocene and possibly Oligocene rocks of the Ootsa Lake Group. This group is comprised of rhyolitic to dacitic tuff, flows and breccias with minor amounts of andesite, basalt, conglomerate and tuffaceous shale. A sequence of Eocene to Miocene andesite, dacite and rhyolite volcanic rocks of the Endako Group and Pliocene to Pleistocene Chilcotin group vesicular andesite and basalt flows, breccias and cinder cones conformably overlie the Ootsa Lake Group. Pleistocene to recent till, gravel and sand infill drainage basins and locally form eskers and moraines up to 100 metres thick.

PROPERTY GEOLOGY

The Baez claim group is underlain predominantly by a sequence of subaerial basaltic to rhyolitic tuffs, flows and breccias of probable Ootsa Lake Group equivalent. Outcrop exposure is less than 5% of the property and is limited to ridge crests and local creek bed and road cut showings. Four discernable units have been recognized from the preliminary geological mapping conducted on the Baez claims. These are, in a younging sequence, rhyolite, dacite, andesite and basalt.

Homogenous rhyolitic flows outcrop in deeply incised creek beds along Grids A and B. These outcrops are generally massive with rusty weathered cliff faces up to 25 metres high. Bedding planes, flow banding and brecciation are noted locally. The very fine to fine grained tan brown to grey coloured matrix commonly has a pilotaxitic texture with mariolitic cavities locally. The breccias are composed entirely of rhyolite fragments and are probably flow related.

Outcrops of dacite lie along the lower portions of the main north-south ridge on the Baez claims. The unit has a fine to medium grained, light grey coloured matrix with rare augite and hornblende phenocrysts throughout.

Andesite is observed at the top of the ridge crests, stratigraphically above the dacite unit. The unit is very fine to fine grained mauve to grey coloured with minor biotite phenocrysts.

The rock varies from well laminated 3 cm to 5 cm thick beds to massive tuff beds. Local open space cavities occur within the tuff.

Vesicular basalt occurs sporadically along the ridge crest and as float throughout all drainages. The dark green, maroon and brick red coloured unit is fine to medium grained with 5% to 15% vesicles. Hornblende and augite phenocrysts occur throughout to 5%.

1993 WORK PROGRAM

On November 12 and 13, 1994, Dighem conducted an airborne geophysical survey on the Baez property located in central B.C. Survey lines were flown at 200-metre spacing in an east-west direction over the north and central portions of the property. A total of 862 kilometres, including tie lines, was flown. An Aerospatiable AS350B helicopter equipped with a Sercel real time differential GPS navigation system was used to perform the survey. Accommodations were provided at Fishpot Lake Resort. Details of the equipment used, handling of the data and interpretation of results are provided in Appendix I.

RESULTS

The airborne geophysical survey highlighted areas of high magnetic response, EM anomalies and resistive features. The magnetometer survey was useful in mapping geological units. The young, Miocene age, vesicular basalts are shown as strongly magnetic, moderate to highly resistive units and tend to occur on ridge crests and hill tops.

Several resistivity highs occur both at topographic high features as well as on flanks of hillsides and topographic low areas. These resistive features may reflect zones of siliceous alteration.

CONCLUSIONS AND RECOMMENDATIONS

The airborne geophysical survey was effective in defining geological parameters on the Baez property. Of particular interest are the numerous zones of high resistivity. A program of detailed mapping and rock sampling should be conducted over anomalous areas of the airborne geophysical survey.

SUMMARY

This report describes the logistics and results of a DIGHEM^{V} airborne geophysical survey carried out for Phelps Dodge Corporation of Canada, Ltd. over a property located in the Mt. Dent area, British Columbia. Total coverage of the survey block amounted to 862 km. The survey was flown from November 12 to November 13, 1993.

The purpose of the survey was to detect zones of conductive mineralization, resistivity highs which might reflect zones of siliceous alteration, and to provide information that could be used to map the geology and structure of the survey area. This was accomplished by using a DIGHEM^{V} multi-coil, multi-frequency electromagnetic system, supplemented by a high sensitivity Cesium magnetometer and a four-channel VLF receiver. The information from these sensors was processed to produce maps which display the magnetic and conductive properties of the survey area. A real time differential GPS navigation system, utilizing a UHF link, ensured accurate positioning of the geophysical data with respect to the base maps. Visual flight path recovery techniques were used to confirm the location of the helicopter where visible topographic features could be identified on the ground.

The survey property contains several anomalous features, many of which are considered to be of moderate to high priority as exploration targets. Most of the inferred bedrock conductors appear to warrant further investigation using appropriate surface exploration techniques. Areas of interest may be assigned priorities on the basis of

SURVEY RESULTS

GENERAL DISCUSSION

The survey results are presented on four separate map sheets for each parameter at a scale of 1:10,000. Table 4-1 summarizes the EM responses in the survey area, with respect to conductance grade and interpretation.

The anomalies shown on the electromagnetic anomaly maps are based on a near-vertical, half plane model. This model best reflects "discrete" bedrock conductors. Wide bedrock conductors or flat-lying conductive units, whether from surficial or bedrock sources, may give rise to very broad anomalous responses on the EM profiles. These may not appear on the electromagnetic anomaly map if they have a regional character rather than a locally anomalous character. These broad conductors, which more closely approximate a half space model, will be maximum coupled to the horizontal (coplanar) coil-pair and should be more evident on the resistivity parameter. Resistivity maps, therefore, may be more valuable than the electromagnetic anomaly maps, in areas where broad or flat-lying conductors are considered to be of importance. Contoured resistivity maps, based on the 900 Hz, 7200 Hz and 56,000 Hz coplanar data are included with this report.

TABLE 4-1

EM ANOMALY STATISTICS

MT. DENT AREA

CONDUCTOR GRADE	CONDUCTANCE RANGE SIEMENS (MHOS)	NUMBER OF RESPONSES
7	>100	0
6	50 - 100	0
5	20 - 50	2
4	10 - 20	6
3	5 - 10	38
2	1 - 5	306
1	<1	91
*	INDETERMINATE	211
TOTAL		654

CONDUCTOR MODEL	MOST LIKELY SOURCE	NUMBER OF RESPONSES
D	DISCRETE BEDROCK CONDUCTOR	50
B	DISCRETE BEDROCK CONDUCTOR	193
S	CONDUCTIVE COVER	287
H	ROCK UNIT OR THICK COVER	109
E	EDGE OF WIDE CONDUCTOR	15
TOTAL		654

(SEE EM MAP LEGEND FOR EXPLANATIONS)

Excellent resolution and discrimination of conductors was accomplished by using a fast sampling rate of 0.1 sec and by employing a common frequency (900 Hz) on two orthogonal coil-pairs (coaxial and coplanar). The resulting "difference channel" parameters often permit differentiation of bedrock and surficial conductors, even though they may exhibit similar conductance values.

Anomalies which occur near the ends of the survey lines (i.e., outside the survey area), should be viewed with caution. Some of the weaker anomalies could be due to aerodynamic noise, i.e., bird bending, which is created by abnormal stresses to which the bird is subjected during the climb and turn of the aircraft between lines. Such aerodynamic noise is usually manifested by an anomaly on the coaxial inphase channel only, although severe stresses can affect the coplanar inphase channels as well.

Magnetics

A Scintrex MEP 710 Cesium Vapour magnetometer was operated at the survey base to record diurnal variations of the earth's magnetic field. The clock of the base station was synchronized with that of the airborne system to permit subsequent removal of diurnal drift.

The background magnetic level has been adjusted to match the International Geomagnetic Reference Field (IGRF) for the survey area. The IGRF gradient across the survey block is left intact. This procedure ensures that the magnetic contours will match contours from any adjacent surveys which have been processed in a similar manner.

The total field magnetic data have been presented as contours on the base maps using a contour interval of 5 nT where gradients permit. The maps show the magnetic properties of the rock units underlying the survey area.

The total field magnetic data have been subjected to a processing algorithm to produce calculated vertical magnetic gradient maps. This procedure enhances near-surface magnetic units and suppresses regional gradients. It also provides better definition and resolution of magnetic units and displays weak magnetic features which may not be clearly evident on the total field maps. Maps of the second vertical magnetic derivative can also be prepared from existing survey data, if requested. Maps of the apparent magnetic susceptibility were also produced.

There is some evidence on the magnetic maps which suggests that the survey area has been subjected to deformation and/or alteration. These structural complexities are evident on the contour maps as variations in magnetic intensity, irregular patterns, and as offsets or changes in strike direction.

Magnetic relief in the Mt. Dent project area is moderate, ranging from a low of less than 56,080 nT to a high of more than 59,600 nT in the northwestern corner of the property. Magnetic amplitudes are generally higher, but somewhat smoother in the central portion of the property. Most major magnetic trends in the area exhibit an azimuthal strike of approximately 350°, although there are linear features which strike east, northeast and northwest.

The extreme western portion of the survey area exhibits the strongest gradients. Two weakly conductive trends are coincident with strong linear north/south magnetic trends in the southwestern quadrant of the property.

In the west-central portion of the property, there is an oval-shaped magnetic low with a small, highly magnetic core. This interesting structure is associated with a moderately resistive unit near the eastern contact of a conductive zone, shown on the EM map as Zone A.

Although approximately 30% of the interpreted bedrock conductors yield magnetic correlation, there is no consistent relationship between conductance and magnetic amplitudes. Therefore, the conductors on the property are likely due to different causative sources.

If a specific magnetic intensity could be assigned to the rock type which is believed to host the target mineralization, it might be possible to select areas of higher priority on the basis of the total field magnetic data. This is based on the assumption that the magnetite content of the host rocks will give rise to a limited range of contour values which would then permit differentiation of various lithological units.

The magnetic results, in conjunction with the other geophysical parameters, should provide valuable information which can be used to effectively map the geology and structure in the survey area.

VLF

VLF results were obtained from the transmitting stations at Seattle, Washington (NLK - 24.8 kHz) and Annapolis, Maryland (NSS - 21.4 kHz). The VLF maps show the contoured results of the filtered total field from Seattle.

The VLF method is quite sensitive to the angle of coupling between the conductor and the propagated EM field. Consequently, conductors which strike towards the VLF station will usually yield a stronger response than conductors which are nearly orthogonal to it. The general north strike in the survey area provides good coupling with the VLF field from Seattle, but moderately poor coupling with Annapolis.

The VLF parameter does not normally provide the same degree of resolution available from the EM data. Closely-spaced conductors, conductors of short strike length or conductors which are poorly coupled to the VLF field, may escape detection with this method. Erratic signals from the VLF transmitters can also give rise to strong, isolated anomalies which should be viewed with caution. Regardless of these limitations, however, the VLF results have provided some additional information, particularly within the more resistive portions of the survey area. The VLF method could probably be used as a follow-up tool in most areas, although its effectiveness will be limited in areas of moderate to high conductivity. The filtered total field VLF contours are presented on the base maps with a contour interval of one percent.

Resistivity

Resistivity maps, which display the conductive properties of the survey area, were produced from the 900 Hz, 7200 Hz and 56,000 Hz coplanar data. The maximum resistivity values, which are calculated for each frequency, are 1000, 8000 and 20,000 ohm-m, respectively. This cutoff eliminates the meaningless higher resistivities which would result from very small EM amplitudes. In general, the resistivity patterns show very little agreement with the magnetic trends. This suggests that many of the resistivity lows are probably related to surficial features, rather than bedrock sources. Note, for example, the close correlation between resistivity lows and topographic lows over most of the area. There are some areas, however, where resistivity highs are coincident with magnetic highs, and resistivity lows appear to be related to magnetic lows. In the former case, magnetite content is considered to be a contributing factor.

There are several resistivity lows in the area. Some of these are quite extensive and often reflect "formational" conductors which may be of minor interest as direct exploration targets. However, attention may be focused on areas where these zones appear to be faulted or folded or where anomaly characteristics differ along strike. Most of the hills in the area yield relatively higher resistivities.

Electromagnetics

The EM anomalies resulting from this survey appear to fall within one of two general categories. The first type consists of discrete, well-defined anomalies which yield marked inflections on the difference channels. These anomalies are usually attributed to conductive sulphides or graphite and are generally given a "B" or "D" interpretive symbol, denoting a bedrock source.

It should be noted that the picking of anomaly types in this category was based partially on good line-to-line correlation. Some of these features lacked the typically marked inflections on the difference channels yet displayed strong amplitude and good anomaly shape.

The second class of anomalies comprises moderately broad responses which exhibit the characteristics of a half space and do not yield well-defined inflections on the difference channels. Anomalies in this category are usually given an "S" or "H" interpretive symbol. The lack of a difference channel response usually implies a broad or flat-lying conductive source such as overburden. Some of these anomalies may reflect conductive rock units or zones of deep weathering.

The effects of conductive overburden are evident over portions of the survey area. Although the difference channels (DFI and DFQ) are extremely valuable in detecting bedrock conductors which are partially masked by conductive overburden, sharp undulations in the bedrock/overburden interface can yield anomalies in the difference channels which may be interpreted as possible bedrock conductors. Such anomalies usually fall into the "S?" or "B?" classification but may also be given an "E" interpretive symbol, denoting a resistivity contrast at the edge of a conductive unit.

In areas where EM responses are evident primarily on the quadrature components, zones of poor conductivity are indicated. Where these responses are coincident with magnetic anomalies, it is possible that the inphase component amplitudes have been suppressed by the effects of magnetite. Most of these poorly-conductive magnetic features give rise to resistivity anomalies which are only slightly below background. If it is expected that poorly-conductive economic mineralization may be associated with magnetite-rich units, most of these weakly anomalous features will be of interest. In areas where magnetite causes the inphase components to become negative, the apparent conductance and depth of EM anomalies may be unreliable.

As economic mineralization within the area may be associated with massive to weakly disseminated sulphides, which may or may not be hosted by magnetite-rich rocks, it is difficult to assess the relative merits of EM anomalies on the basis of conductance. It is recommended that an attempt be made to compile a suite of geophysical "signatures" over areas of interest. Anomaly characteristics are clearly defined on the computer-processed geophysical data profiles which are supplied as one of the survey products.

A complete assessment and evaluation of the survey data should be carried out by one or more qualified professionals who have access to, and can provide a meaningful compilation of, all available geophysical, geological and geochemical data.

CONDUCTORS IN THE SURVEY AREA

The electromagnetic anomaly maps show the anomaly locations with the interpreted conductor type, dip, conductance and depth being indicated by symbols. Direct magnetic correlation is also shown if it exists. The strike direction and length of the conductors are indicated when anomalies can be correlated from line to line. When studying the map sheets, consult the anomaly listings appended to this report.

In areas where several conductors or conductive trends appear to be related to a common geological unit, these have been outlined as "zones" on the EM anomaly maps. The zone outlines usually approximate the limits of conductive units defined by the 7200

Hz resistivity contours, but may also be related to distinct rock units which have been inferred from the magnetic data.

Most of the anomalous responses in the area are moderate to strong. The moderately conductive background of about 500 ohm-m tends to make the discrete anomalies appear wider than they are, making estimates of dip uncertain. The resistivity profiles suggest that the uppermost layer is quite resistive. This is likely due to a frozen upper layer. This is underlain by a moderately conductive layer over more resistive layers at depth.

A few of the indicated bedrock conductors within the property appear to be related to streams, possibly indicating the presence of mineralized shear structures. A strong north/south trend is seen both in stream patterns and conductor axes.

The effects of magnetite are evident on most survey lines in the southern portion of the grid, particularly in the area south of line 10480, to the west of Zone B. On lines 10480-10500, this magnetite-rich unit gives rise to higher resistivities, as expected. It is interesting to note the sharp negative excursions near the east and west contacts of this unit, denoting the presence of remanently polarized magnetic material. The complex magnetic signature in this area may reflect zones of alteration.

Remanent magnetism is evident on several other lines within the survey area. In some cases, such as anomaly 10040B, the background conductivity is sufficiently strong to keep the inphase component positive, even though there is a well-defined, sharp low on the magnetic profile. In other instances, such as on lines 10530, 10560 and 10590, at fiducials 2620, 1590 and 284, respectively, the magnetic lows are coincident with negative inphase responses, confirming the presence of remanently magnetized material.

The conductive zones shown on the EM anomaly map exhibit resistivity values of less than 150 ohm-m and contain two or more separate conductors. Zone A and Zone B, for example, each host at least five conductive segments. Magnetic variations suggest that the causative sources also vary in composition along strike.

Zone C, in the north central portion of the property, contains three poorly defined conductors of possible bedrock origin. Two anomalies coincide with isolated magnetic highs, but the conductors otherwise appear to be non-magnetic. The moderately strong resistivity low of less than 100 ohm-m may be partially due to conductive cover.

In the eastern half of the property, east of tie line 19020, there are five areas which yield resistivity lows of less than 60 ohm-m. These occur in the vicinity of 10150I, 10200D, 10290K, 10310E and 10310H (Zone D). Even though most responses are quite broad and poorly defined, these areas may warrant further investigation.

Zone D is an interesting resistivity low which hosts four or more separate conductors. The central axis of this zone is associated with a weak magnetic depression. The westernmost conductor in this group, 10310G-10320F, is associated with a weak magnetic high. Conductors in this zone should also be subjected to further work.

Northeast of Zone D, there is a group of anomalies which are also considered to be potential targets. These include conductor 10190G-10250G, 10190H-10200G, and the five conductor segments which are located between 10190I and 10330N.

The foregoing paragraphs mention only a few of the more obvious conductive targets in the survey block. No attempt has been made to discuss the numerous anomalous responses within the Mt. Dent property. Many of the short bedrock conductors are considered to be high priority targets, in addition to some of the broad 'H' type responses. A complete and detailed analysis of the airborne survey results should be carried out by a qualified and competent person who has access to all pertinent geoscientific data for the area.

One potential target in this area could be auriferous mineralization associated with siliceous alteration. Such targets are usually resistive, rather than conductive, and are clearly defined on the colour resistivity maps. EM anomalies are not usually evident, as broad siliceous caps do not yield 'discrete' signatures. A comparison of the various resistivity plots should be carried out in order to find zones which might be more resistive on surface than at depth.

The resistivity maps outline several 'plug-like' highs which exhibit values of more than 500 ohm-m. At least some of these could represent potential targets although many may be due to a lack of conductive cover on the tops of hills. Those which are are associated with similarly shaped magnetic anomalies, either positive or negative, are considered to be of higher priority. Most of the more pronounced highs occur in the southwest quadrant, on line 10350 at fiducial 4602, line 10420 at 1770, 10430 at 1520, 10490 at 4298 and 10530 at fiducial 2917.

CONCLUSIONS AND RECOMMENDATIONS

This report provides a very brief description of the survey results and describes the equipment, procedures and logistics of the survey.

There are several anomalies in the survey block which are typical of massive sulphide responses. The various maps included with this report display the magnetic and conductive properties of the survey area. It is recommended that the survey results be reviewed in detail, in conjunction with all available geophysical, geological and geochemical information. Particular reference should be made to the computer generated data profiles which clearly define the characteristics of the individual anomalies.

Most anomalies in the area are moderately strong, but poorly-defined. Some may be attributed to conductive overburden or deep weathering, although a few appear to be associated with magnetite-rich rock units. Others coincide with VLF anomalies, or magnetic gradients which may reflect faults or shears. Such structural breaks are considered to be of particular interest as they may have influenced mineral deposition within the survey area.

There are several resistivity highs on the property which are also considered to be of interest. Some of these could reflect zones of siliceous alteration which could host auriferous mineralization. However, frozen surface material could produce similar results.

The interpreted bedrock conductors defined by the survey should be subjected to further investigation, using appropriate surface exploration techniques. Anomalies which are currently considered to be of moderately low priority may require upgrading if follow-up results are favourable.

It is also recommended that image processing of existing geophysical data be considered, in order to extract the maximum amount of information from the survey results. Current software and imaging techniques often provide valuable information on structure and lithology, which may not be clearly evident on the contour and colour maps. These techniques can yield images which define subtle, but significant, structural details.

Respectfully submitted,

DIGHEM

Paul A. Smith
Geophysicist

PAS/sdp

A1157JAN.94R