B E R G V I S I T - 2 September 1974

880709

On Monday, September 2nd, Andre Pantaleyev and myself visited the Berg copper-molybdenum prospect located approximately 50 miles southeast of Houston. Canex Placer Ltd. has been working there since June. Longyear Drilling will complete 6000 feet of PQ size core drilling. The core is being logged at the property and is then sent to Vancouver for analyses. At the time of our visit, they had completed 4000 feet. From this drilling, they will have approximately 30 tons for mill testing etc. To the end of 1973, 52,000 feet of core had been drilled. Thus, by the end of 1974, the total footage drilled will be 58,000 feet. A crew of 15 men are on the site.

Peter Beaudoin and Dave Huston are in charge of the work on the property. Dave was on the site at the time of our visit. Up until this year's work, the geologic picture of the prospect appeared simple, i.e. a couple of intrusive phases intruding a hornfelsed unit. This year the Canex people have relogged many of the holes and have subdivided the intrusive phases into diorite, plagioclase - biotite - quartz-porphyry (pbqp) and quartz monzonite with a late quartz-feldspar porphyry (QFP) dyke and dacite (to SE.)

The secondary enrichment aspects of the prospect are intriguing. A chalcocite blanket together with ferrimolybdite exists up to a depth of 400 feet. It appears mainly as a coating on pyrite. Native copper exists just above the line of secondary enrichment. Jarosite and limonite are pronounced in this zone. Grades of copper in the secondary zone vary from 0.5% to 1% Cu. Secondary sulphosalts (eg. chalcanthite) are being deposited at present. Also, a very deep crimson red secondary mineral is forming a crust on rocks and limonite. This mineral has been referred to as BERG-X or sibolaite. Apparently it is trapping molybdenum in orders up to 3%. Water flowing out of old drill holes is very acid (eg. pH 2.6)

Excellent examples of gypsum and anhydrite exist and the gypsum line is well marked. Selenite (a variety of gypsum) has been observed.

Gossan cemented breccias (similar to Big Onion) are predominant in places.

The grade of molybdenum appears to increase with depth.

Five stages of open pits are planned (see attached sketch).

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The hornfelsed unit may vary from a dark brown to black colour (felted secondary biotite) to a dark green (chloritic) colour.

The topography in the area is very rugged and will have to be treated with respect when it comes to mining this prospect.

Another impressive feature of the Berg area is the excellent work being done by the 'cat' operator on the steep slopes.

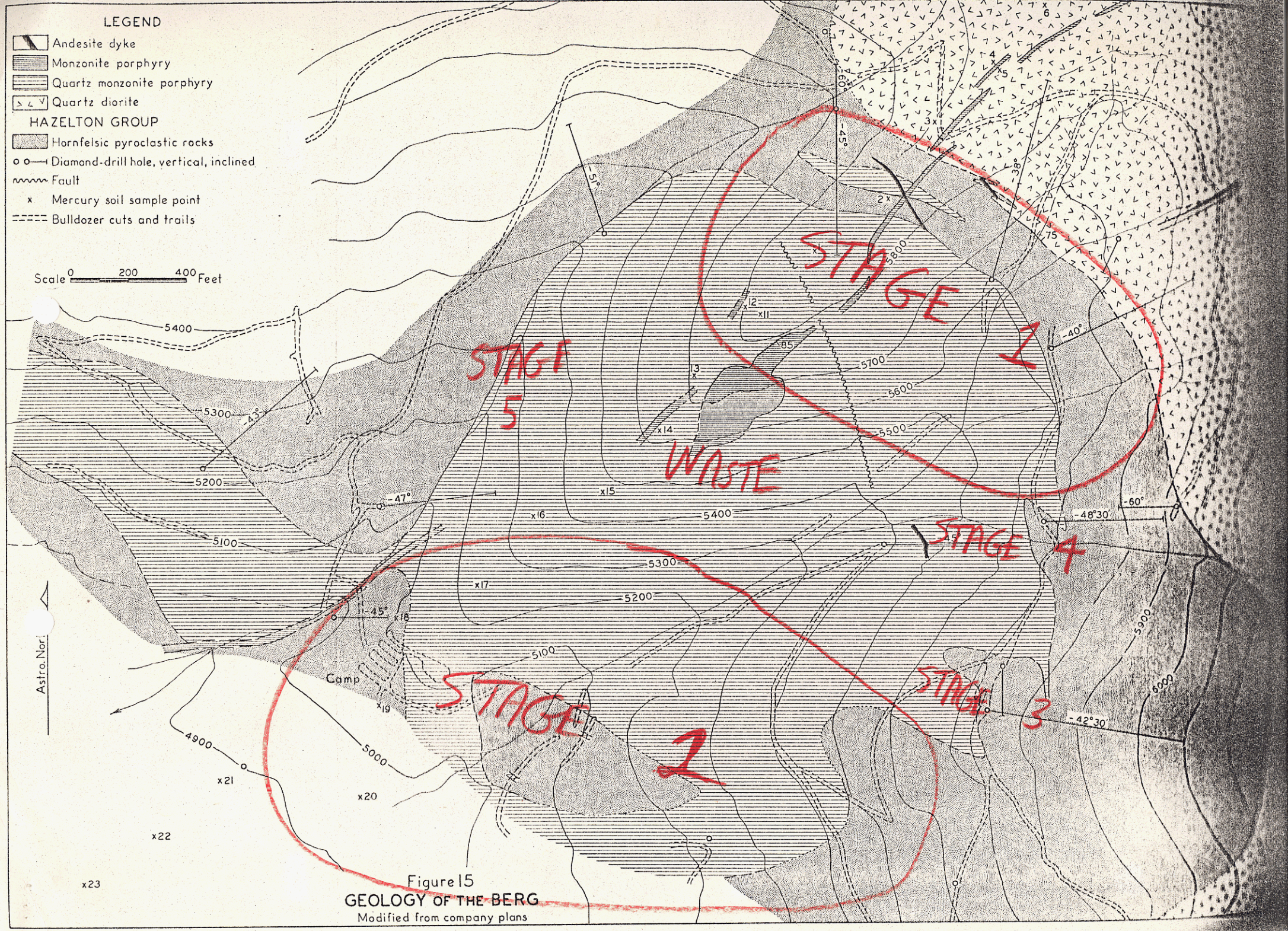

Figure 15
GEOLOGY OF THE BERG
Modified from company plans