

DELL  
882303BU: *VB* → *Beaverdell*  
FYI  
best regards  
*John*MEMORANDUM  
GOLD CITY MINING CORPORATIONDATE: AUGUST 11, 1997  
TO: DISTRIBUTION  
FROM: JOHN CHAPMANRE: DELL PROJECT, BEAVERDELL, B.C., ST. ELIAS DISCOVERY "T1" ON LOGAN CREEK

The August 8, 1997 George Cross Newsletter on page 5 (plus table & map) presents preliminary information on a Au/Ag/Cu "discovery" (T1 trench) made by St. Elias Mines Ltd. (3.5 kilometers south of Beaverdell, B.C.) adjacent to Logan Creek and 1,900 meters from the "Wombat" showing on Gold City's Dell 1 mineral claim. Logan Creek is described as a fault, which interestingly does strike 122 degrees azimuth - directly at the Wombat showing (+1 opt gold and +1% copper) and the "Babe" copper anomaly (>108 ppm over 700 m x 200 m). It is also interesting to note that the Babe anomaly strikes 122 degrees azimuth. Another feature of interest is that just below (east) trench T1 there is a large rock knob (silicification in Logan fault zone?) and across the valley at the Wombat the most prominent feature is a knob that protrudes westward out of the hill over a large vertical extent. The T1 and Wombat are separated by 1,900 meters yet may be part of the same copper/gold mineralizing system (NW/SE) in this historic silver/lead/zinc camp (despite the existing theory that mineralized structures trend NE/SW).

The work on the Wombat and Babe dates back to the early 1980's when Canstat Petroleum Corporation conducted prospecting, geochemistry, geophysics and limited drilling over a four year period. Gold City now controls substantially the same mineral lands originally held by Canstat, by way of staking. I am hoping to talk to Art Troup, Geologist about the Canstat work which he managed - in particular to find out why they never drilled the Babe anomaly considering that it is near the Wombat. Indications are that if you like the Wombat you should love the Babe (the Babe has much higher copper-in-soils and much higher IP chargeability over a very large area).

On August 9th and 10th Gold City staked the open ground between St. Elias's DAD E mineral Claim (contains T1 discovery) and Gold City's Dell 1 mineral claim (contains the Wombat and Babe). This staking covers the open ground (strike extensions?) in the West Kettle River valley, between the two gold/copper showings.

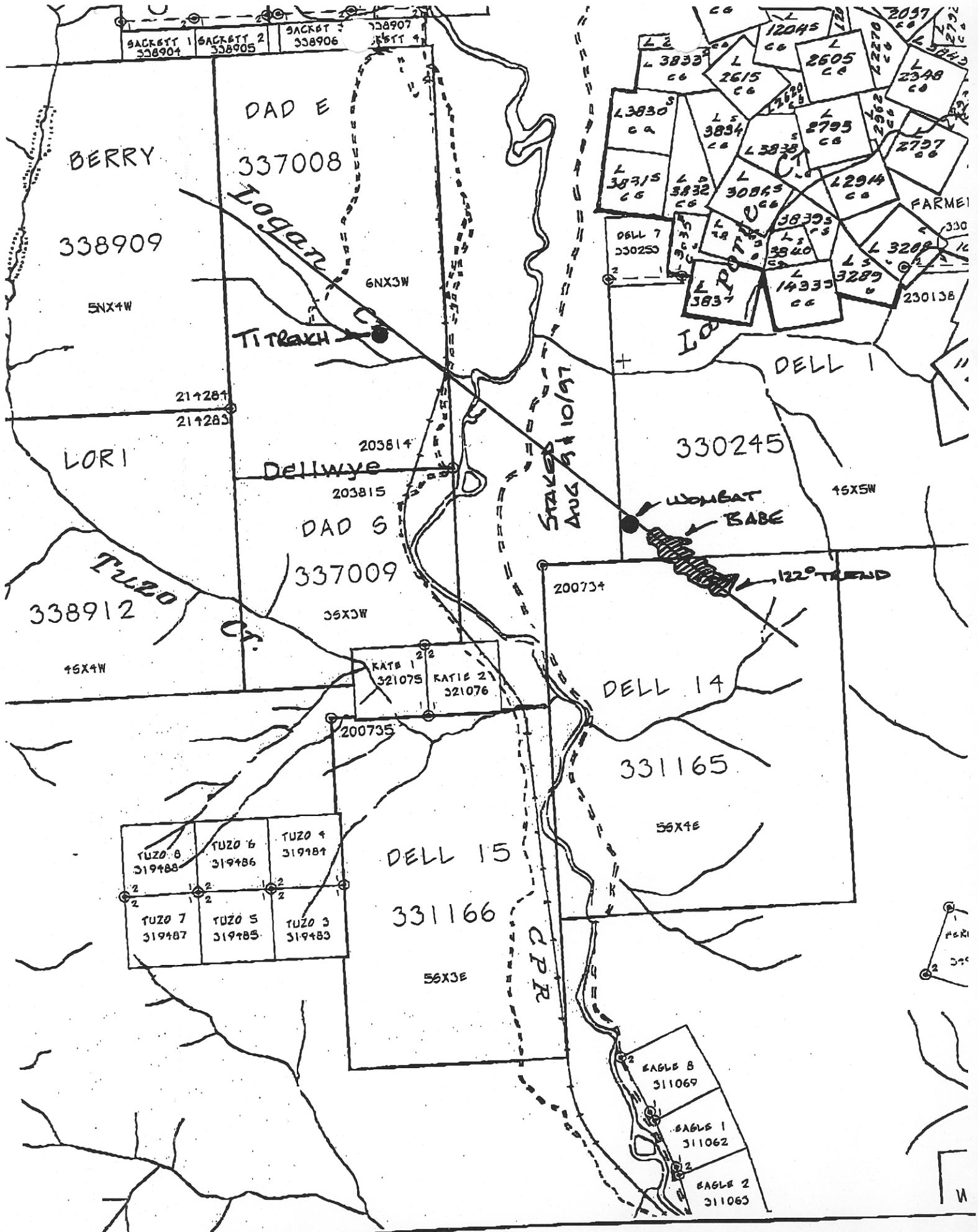
## References:

- (1) George Cross Newsletter August 8, 1997, Page 5 (plus table and map), St. Elias Mines Ltd.;
- (2) Canstat, Feb. 1984 Report, Peter Walcott - see IP survey (Grid #3);
- (3) Canstat, Jan. 1983 Report, Troup & Ridley - see Compilation Map;
- (4) Canstat, Dec. 1981 Report, Troup & Ridley - see Map 5 (copper-in-soils);
- (5) Canstat, Nov. 1980 Report, Troup - see reference to Wombat Au/Cu discovery on page 23 (2).



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TUZO  
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TUZO 7 319487	TUZO 5 319485	TUZO 3 319483

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 EAGLE 1 311062  
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STAKED  
 AUG 9 10/97

WOMBAT  
 BABE

122° TREND

CPR

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N

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