

GALORE CREEK PROPERTY

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Galore
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Introduction

Copper mineralization was first discovered in the Galore Creek valley in 1955 by prospectors working for Hudson Bay Exploration and Development Ltd. In 1960, Kennco Exploration, (Western) Ltd. staked the ground around the remaining 16 claims owned by Hudson Bay and four claims optioned by Cominco Ltd. In 1962, the three companies agreed to jointly explore the properties and subsequently Stikine Copper Ltd. was incorporated in 1963.

To date, a total of 83,833 meters of diamond drilling in 370 holes has been completed. The bulk of this drilling concentrated on the Central Zone which has reserves of 125 million tonnes grading 1.06% copper and 0.40 gm/tonne gold. In 1989, Mingold Resources Inc. on behalf of Hudson Bay, funded and executed a re-evaluation of the Galore Creek property for gold. The 1989 program utilized silt, soil and rock geochemistry, VLF-EM, prospecting and handtrenching to test the high-grade gold potential of the claims. Two major gold-copper zones were located: the North Rim Trench Zone and the Saddle Zone.

Location and Access

The Galore Creek property is located at the headwaters of Galore Creek, a tributary of the Scud River, in northwestern British Columbia. The major supply centre for the area is Smithers which is 355 kilometres to the southeast.

Access to the property is by fixed-wing aircraft to a privately owned airstrip in the central part of the claim block. Helicopter service is also available in the summer from Telegraph Creek and Bronson Creek. An old road from a barge site on the Stikine River to the property was constructed in the early 1960's but has become overgrown with alders from years of disuse.

Claims and Ownership

The Galore Creek property consists of 252 claims and 39 fractions for a total of 291 two-post claims. The claims are wholly owned by Stikine Copper Ltd. which is controlled by Kennco (Stikine) Mining Ltd., Hudson Bay Mining and Smelting Co. Ltd. and Cominco Ltd.

Geology

The Galore Creek deposits are situated on the western margin of the Intermontane Belt, just east of the Coast Plutonic Complex. The area is underlain by three major lithologic units: Paleozoic and Middle Triassic metamorphic rocks; Upper Triassic volcanic and sedimentary rocks; and intrusive rocks of various ages and types. The latter two are of prime concern in the vicinity of the copper (gold) deposits.

The Upper Triassic rocks, within the Galore Creek valley, are primarily volcanics with sediments only forming a minor component. The volcanics include pyroclastic and intrusive breccias, trachyte flows, lithic tuff, crystal tuff and pyroxene andesites. Most of these rocks have undergone moderate to intense "skarnification" and "hornfelsing" near intrusive contacts. In addition, significant assimilation and granitization of the volcanics has occurred in some areas resulting in hybrid porphyritic rocks which are often indistinguishable as volcanic or intrusive in origin.

The intrusive rocks vary considerably in composition, texture, colour and age. Syenitic intrusive rocks are the most important, both volumetrically and economically. These rocks have been divided into five main rock types which in order of introduction are dark syenite porphyry, garnet syenite megaporphyry, fine-grained syenite porphyry, epidote syenite porphyry and Buckshot (or Lavender) porphyry. The age of the syenitic intrusive rocks varies from Upper Triassic to Lower Jurassic.

Mineralization

Known copper mineralization occurs in ten incompletely defined deposits as well as numerous erratic high-grade pods and low-grade showings. The deposits are tabular to manto-shaped and most have a north to northeast orientation parallel to the syenite contacts and structural trend of the area.

The Central and North Junction Zones are the two major copper deposits for which reserves have been calculated. These reserves are as follows:

Central Zone (0.4% Cu cutoff)

(1977) 159.7 million tonnes of 0.93% Cu, 0.38 gm/tonne Au

(1974) 125.0 million tonnes of 1.06% Cu, 0.45 gm/tonne Au

North Junction Zone (1% Cu cutoff)

4.8 million tonnes of 2.00% Cu, 0.75 gm/tonne Au

Recent Developments

The last exploration work for copper at Galore Creek was in 1976. Since then, various economic factors have inhibited further development of the property.

In 1987, Mingold Resources Inc. began investigating the gold potential of the Galore Creek deposits. Previous work had treated the gold (and silver) as by-product credits to the copper mineralization. Gold assays typically were derived from 50 to 100 foot composites of the pulps from the copper analyses. Re-assaying of some of the gold enriched sections at 10 foot intervals indicated a definite potential for high-grade gold zones within the copper deposits.

In 1989, on behalf of Hudson Bay Mining, Mingold Resources funded and executed an initial phase of gold exploration at Galore Creek. Using silt, soil, and rock geochemistry in conjunction with conventional prospecting, several areas of high-grade gold with associated high copper were located. Limited handtrenching and VLF-EM were carried out to assess the significance of the anomalies. Two main targets, referred to as the "North Rim Trench Zone" and "Saddle Zone", were delineated.

For 1990, a staged diamond drilling program is planned to further evaluate the targets generated in 1989.