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MEMORANDUM

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Geological Survey Branch
MEMPR

To: Doug Flynn, Acting Manager Northwest Region

MONTHLY REPORT - AUGUST 1996

by

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PROPERTY VISITS

Loon

***Loon** (93F 061), south of Ootsa Lake was visited on Aug 8 with Tom Schroeter. Val van Damne of Hudson Bay Exploration & Development reviewed the just completed drill program. Modest gold-silver values and chalcedonic quartz with sparse pyrite/marcasite, galena and sphalerite are exposed in trenches in altered and brecciated Ootsa rhyolite. Previous drilling (1994) tested IP anomalies 25 m below surface returning a best intersection of 0.124 opt Au over 1.5 m in a fault. This 1996 drilling tested the interpreted northwest structure and IP response at 150 m below surface. The best anomaly was 'scissored' by two holes. Six holes were completed (1611 m) on about 600 m strike. All drilled through the clay/silica alteration zone into chlorite alteration and ended in fresh andesite. The rhyolite dips about 10°. Alteration appears controlled by permeability in the rhyolite rather than structure. This interpretation is supported by similar brecciation, chalcedony and minor pyrite veining in a quarry several kilometers from the drill sites. Drilling has adequately tested this target but these rocks have fair potential where a structure can be identified.

Heart Peaks

***Heart Peaks** (104K 084) visited on Aug 10 with Daryl Hanson. Geologic reappraisal of this high level epithermal gold-silver system is being supervised by Dane Bridge for Canamera. Impressive gossans are associated with trachyte eruptive centres, phreatic breccias and silicification in the Pliocene Hearts Peak formation. Exploration by Kerr-Addison in 1984 suggests mineralization has a high Ag: Au ratio, not an encouraging sign for a gold deposit at depth. Simon Haynes, a consulting professor from Brock University is assisting with developing targets for deep drilling. An IP survey was attempted but abandoned after completing just 4.2 km due to poor ground contact through talus. Silt and heavy mineral sampling on the lower slopes down to the Sheslay River was in progress. Holes 500-600 m deep from low elevation sites are contemplated, to test an inferred NNE structure.

From their base on Tatsamenie Lake Canamera is also working on the Ant (104K 032), Bing (104K 035) and Samo claims for Premier Minerals Ltd. These were not visited but IP surveys were in progress. Total budget is announced as \$330,000. These were

previously explored as porphyry Cu-Mo targets but are being reconsidered as structurally controlled gold associated with silica-carbonate alteration.

COP

* **Cop** (104J 035) exploration project by Erin Ventures located northwest of Telegraph Creek visited on Aug 10 with Daryl Hanson. This is an alkalic porphyry Cu-Au target within a satellite diorite of the Triassic Kaketsa pluton and Stuhini andesite. The property has an extensive history of geophysics and trenching but little drilling. Copper mineralization in a trench excavated in 1977 assayed 0.41% Cu with 0.01-.02 opt Au over 179 m. The present program is to drill VLF-EM anomalies 700 metres southeast, apparently targeting a better grade vein or shear structure rather than the porphyry zone which has significant untested potential. The program is technically inept (40 ft of core in 3 weeks) and unlikely to be completed.

BAM

* **Bam** (104G 110) drill program by Discovery Consultants (for Everest Resources) near the head of Mess Creek was visited on Aug 11 with Daryl Hanson. Maggie Dittrick is site geologist. The target is gold in silica-carbonate altered shears near the east margin of the Triassic-Jurassic Hickman batholith, where it intrudes Stikine Assemblage intermediate tuff and tuffaceous sediments. Green mica was noted in the core. Promising gold values were encountered from trenching by Chevron in 1986 (AR 15 827) but drilling by Radcliff Resources in 1987 (AR 17 570) was disappointing. The current program comprises seven holes spaced 50 m apart on two shears, one at 030° and the other at 070°. (These are projected to intersect immediately south of previous drilling- perhaps a better target). The proposed hole layout appears to duplicate the area drilled by Radcliff so that the objective is not clear.

ESKAY
CK.

* **Eskay Creek** (104B 008) was visited on Aug 16 with Dave Lefebure, Chris Ash, Dani Alldrick and Tom Schroeter. We were only able to visit 8-stope. A round of ore was recently lost in 6-stope due to a fall of ground from a fault oblique to the stope. Mine cut off stated to be 15 g/t Au (versus 20 g/t, broken and 30 g/t in-situ stated in March). There is a small stockpile of 10-15 g/t material at Albino Lake. Exploration drilling on the NEX and HW zone continues with 3 machines (10,000 m completed so far). Percy Pacor showed us core and suggested this program will double last year's 206,000 tonnes of 56 g/t gold equivalent. Mercury content of NEX is only 30-40 ppm, much lower than 21B ore which must be blended to achieve 1,000 ppm. Small-scale reverse faults are indicated by the drilling and may be related to convergence of the Pumphouse/ Pathfinder and Andesite Creek faults.

CLONE

* **Clone** gold project of Teuton Resources Corp and Minvita Enterprises Ltd was visited with Dave Lefebure and Tom Schroeter on Aug 18. Ed Kruckowski and Rob McLeod (Homestake site rep) gave us a detailed tour. Trenching and drilling (5000 m) are being conducted on an anastomosing shear zone 10 km south of Stewart. Four northwest trending, vertically dipping shear zones occur in a 50 metre wide interval between coarse, heterolithic andesite clastics to the northeast and an argillaceous horizon within the andesite sequence to the southwest. Two types of mineralization are present. H-shears are characterized by pervasive hematite and silica with minor chalcopyrite, specularite, magnetite and visible gold. These grade outward to hematitic andesite. Sulphide shears contain pyrite, arsenopyrite and glaucodot ? (a cobalt sulpharsenide), with attendant pink cobalt bloom (erytherite) and distinctive dark chlorite. Staining for K-feldspar appears to

PWoj. Aug. '96 MR