

Loon
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VCS → RG
— Smither

Ministry of
Employment and Investment
Energy and Minerals Division

Smithers
Tel: (604) 847-7383
Fax: (604) 847-7603

MEMORANDUM

To: Doug Flynn, Acting Manager Northwest Region

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Geological Survey Branch
MEMPR

MONTHLY REPORT - AUGUST 1996

by

Paul Wojdak, NORTHWEST REGIONAL GEOLOGIST

PROPERTY VISITS

***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** (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

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Heart
Peaks