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Province of
British Columbia

Ministry of
Energy, Mines and
Petroleum Resources

MEMORANDUM

LOG NO: MAY 10 1988 VAN

TO: V.A. Preto,
Manager,
District Geology & Coal Resources

ACTION:

May 6, 1986

TGS

FILE NO: *Macktush Cr.*

RE: SYMC RESOURCES LTD. - MACKTUSH PROJECT - PROSPECTUS

As requested, I have reviewed the prospectus submitted by SYMC Resources for a proposed mining/milling development at their Macktush Creek property. I have serious concerns about the geology described in the prospectus and about the "ore reserves" quoted therein.

Approximately one year ago I expressed my concern about the premature nature of the proposed development in a memo to ADMM. I later visited the property, for the third time, and confirmed that no real exploration work had been done except for one large trench, most of which failed to expose bedrock. Late in 1987 the company drilled 10 short holes with a large diamond drill. On the basis of that drilling they now claim to have 152,000 tons of indicated reserves. In my opinion, they are still a long way short of identifying an orebody or measuring reserves.

Regional mapping by Muller shows the property to be underlain by a Jurassic granodiorite stock which intrudes Karmutsen basaltic rocks. The stock is extensively altered and mineralized with copper, silver, and molybdenum. I have repeatedly told the owners and others that the property has good potential for a porphyry-type orebody. The copper-gold-silver bearing quartz veins, on which the owners have totally focussed their attention, are superimposed on the mineralized stock and represent potentially significant mineralization of a different type. Since the quartz vein showings were re-discovered in 1981, Peter Eastwood, Gerry Ray, and I have visited the property on various occasions and have analysed several samples. My interpretation of the regional setting and the local geology is compatible with Muller's mapping and differs significantly from that described in the prospectus.

Following are the various factors of my concern:

1. The executive summary of the prospectus includes the following statements: "Mineralization consists of strataform massive to disseminated sulphides.....the mineralized zones are conformable to the volcanic stratigraphy." Repeated reference to early mining on Mount Sicker and the claim that the mineralized veins are associated with Sicker volcanics implies that the property is related somehow to the current exploration boom in the Sicker belt.

No Sicker Group rocks have ever been mapped on the west side of Alberni Canal. If the company has identified volcanic rocks associated with the veins, the most logical explanation would suggest xenoliths of Karmutsen basalt. I have seen no evidence at all for strataform, conformable mineralization. The mineralization occurs in quartz veins intruding a granodiorite stock.

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2. Until 1986, the only exploration carried out by the owners consisted of prospecting and small-scale stripping and rock-blasting of individual veins.

I have never seen any type of control grid constructed anywhere on the property. To my knowledge there have been no geophysical or geochemical surveys performed. No proper geological map of the property exists. Although the claims were staked in 1981, there has never been an assessment report of any type filed, not even a prospecting report.

One large back hoe trench was excavated in 1986 or early 1987 to expose the trend of one of the veins. When I visited the property in May, 1987, very little bedrock was exposed in the trench. The only drilling to date has consisted of 10 holes in late 1987. They were scattered over several widely-spaced veins with no more than two or three holes on any one vein.

In my opinion, the above exploration history is insufficient, on any property, to define the existence of an orebody or to permit calculation of ore reserves.

3. The grades of the mineralization as quoted in the prospectus are quite compatible with all of the analyses that we have obtained on various visits. In fact, grades appear to have been remarkably consistent among many, widely-distributed sample sites. I am not satisfied, however, that the company has demonstrated any continuity of individual veins.

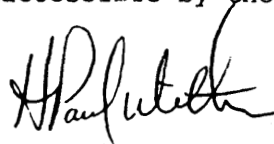
On April 19, 1988, I briefly visited the home of Mr. Herb McMaster of Port Alberni and examined some of the core from the 1987 drilling. Mineralized sections of the core had been split and sampled. I did not see any actual assay reports but I did examine an engineer's map showing the various veins and drill hole projections with all drill assay intervals and surface chip assays plotted. When I suggested a quick visit to the property, I was told that the property was temporarily inaccessible due to active logging and a bridge that had been removed.

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With regard to Stage I, I recommend that SYMC Resources be asked, in a Stage I submission, to provide:

- A geological map of the property at a suitable scale to show the distribution of major rock types and of all mineralized structures.
- A detailed plan and cross sections sufficient to clearly illustrate how ore reserves were calculated and all data on which the calculations were based.
- A VLF-EM survey plan of the main mineralized area would contribute significantly to the credibility of the presumed vein configuration.
- Copies of all official assay reports for all analytical data cited in the reserve calculations should be attached as an appendix.
- Complete multi-element (ICP) analyses of about four typical "ore" samples should be reported.
- A detailed geological map and prospecting report of the proposed tailings and mill site should be provided to ensure that no significant mineralization will be rendered inaccessible by those facilities.



H. Paul Wilton, P. Eng.,
District Geologist,
Victoria

HPW:pl