



Province of
British Columbia

Ministry of
Energy, Mines and
Petroleum Resources

YES → AG
- Smithers

MEMORANDUM

J. Johnson

Smithers — Telephone: (604) 847-7383 Fax: (604) 847-7603

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by

Paul Wojdak, NORTHWEST REGIONAL GEOLOGIST

HIGHLIGHTS

- * Ore grade intercept on the Nak property in the Babine porphyry camp and revived interest by Noranda.
- * Rumours of a Red Mountain deal in the works.
- * Continuation of major drill programs at Quartzrock (Taurus) and Red Chris.

FIELD ACTIVITIES

MR

* The inactive MR property (no Minfile #) 50 km northeast of Smithers was examined on July 11 with Don MacIntyre (GSB) and prospector Ralph Keefe on July 11. Keefe found the showing in 1990, supported by an MEMPR prospector grant. A zone of Cu-Ag mineralization 300 meters long and up to 50 meters wide exposed in a clear-cut, was explored by trenching and drilling (14 holes) by Equity Silver Mines in 1991-92. Host rocks are feldspathic and fossiliferous sandstone, identified as Smithers Formation by Don MacIntyre, that is fractured, carbonate altered and mineralized with finely disseminated chalcocite, bornite and traces of native silver. Mineralogy was determined by Equity Silver using S.E.M. (AR 22,462). Mineralization is evidenced by secondary malachite and azurite, primary mineralization is so difficult to recognize that reclaimed trenches were re-opened by Equity to extend sampling. The most distinctive feature is dull brown (iron-) carbonate alteration. Vugs in the fracture zone are partially filled with calcite and chalcedonic quartz. The zone strikes northeast, as do the host rocks, but is interpreted dip steeply compared to moderate northwest dip of the strata. Difficulty in correlating drill and trench intercepts may be due to later faults. Drill hole intercepts were lower grade than trench assays (eg 0.43% Cu, 74 g/t Ag over 16.5 m in a trench versus 0.19% Cu, 35 g/t Ag over 33 m in a ddh) suggesting surface enrichment. One high grade drill intercept (3.65% Cu, 195.7 g/t Ag over 2.84 m) merits more work. Mineralization is extensive but unusual and generally low grade. Also, the mineral deposit type is unclear (near surface redox control?) so that attracting more exploration looks difficult.

Fireweed

* The inactive Fireweed (93M 151) silver prospect (owned by Gordon and John Leask) was visited with Don MacIntyre on July 11. The property was explored by Canadian United and Minnova in 1988-91 (84 drill holes, 19,800 m) identifying a resource of 640,000 tons grading 9.97 oz/t Ag, 2.22% Zn, 1.3% Pb. Outcrop is extremely limited, the following is derived from company reports. Two styles of mineralization are indicated: (a) stratabound pyrite-sphalerite-galena-tetrahedrite with associated manganese enrichment and (b) cross-cutting massive pyrrhotite-sphalerite-(chalcopyrite) pipes and breccias. Host rocks are mudstone to coarse sandstone of the Kitsum Creek Formation (Cretaceous Skeena Group) in proximity to strongly altered Babine