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- Smithers

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by

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HIGHLIGHTS

- * Drilling on the Nak porphyry prospect in the Babine camp by Hera Resources has encountered significant mineralization in widespaced holes.
- * Large claim blocks, about 1000 units each, have been staked in the Cassiar gold camp and in the Burnie Lakes area west of Smithers. Cassiar gold camp staking is by promoter Seamus Young, attracted by Cyprus Amax' apparent success on the Quartzrock (Taurus) project whereas the Burnie Lakes activity is on behalf of Golden Hemlock to protect their Tatsi discovery. (Note: Burnie Lakes is being put forward as a preferred PAS study area by RPAT)
- * Exciting fill-in hole at Golden Bear's Ursa deposit- 94.5 g/t Au across a true width of 17.6 meters. Grizzly zone drilling is also in progress with 2 machines as part of \$5 million exploration program.
- * Merger of New Canamin with Princeton Mining Corporation approved, paving the way for Huddleberry development.

FIELD ACTIVITIES

* Nak (93M 010) property was visited with Bill Howell and David Hjerpe of Hera Resources on June 22. Project geologists Jill Pardoe and Maggie Dittrick head up a 10-person camp. Linecutters for an expanded IP survey are housed in a fly-camp. Five holes had been completed in a 10,000 ft program although one hole was lost, due to drilling deep overburden with a light fly-drill. Chalcopyrite-bornite occurs in a weak to moderate stockwork associated with strong and extensive tourmaline (the most prominent alteration feature), secondary biotite and common argillic alteration. Most impressive are sporadic 1 cm wide veins of pure bornite. Chalcopyrite also occurs as disseminations but pyrite is notably sparse. K-feldspar appears to be present locally, anhydrite was noted in a few instances and gypsum fractures are common. Sericite vein envelopes are rare. Copper mineralization is variable but significant intervals are expected (no assays were available at the time of my visit). Three intrusive phases have been identified in core by the property geologists; crowded biotite feldspar porphyry (similar to BFP at Bell, Morrison etc), sparse BFP and feldspar porphyry. All appear to be dikes roughly 3 to 50 meters wide. Crowded BFP, the most common intrusive phase, seems to host best mineralization and most variable alteration (biotite to argillic). Several narrow (explosive?) breccias have been intersected. Country rocks, Hazelton andesite and minor lapilli tuff are extensively biotitized and variably mineralized.

NAK

Drill holes have been spaced 200 meters apart, mainly on a north-south fence to test a circular IP anomaly approximately 1 km in size. All completed holes have intersected copper mineralization, with #2 being the best hole. Optimism on the property runs high that results warrant a second phase of drilling to begin in mid-July. Porphyry copper mineralization was discovered at Nak by Noranda in 1964 using stream silt geochemistry. Noranda drilled 28 shallow holes totalling 1835 meters with a best intercept of 0.57% Cu over 60 ft. Hera's drilling has been west of, and deeper than Noranda's holes based on an interpretation of improving copper gradient to the west. Hera's hole #2 is angled beneath a Noranda hole that contained 0.2% Cu over 110 ft.

Exploration access has been an issue viz a viz FPC. To re-use Noranda's access trail, Hera were to replace a stream ford with a 27 meter clear-span bridge and remove an estimated 350 cu. m. of trees cleared for new access to drill sites. Hera opted for helicopter-access and obtained a Free-Use permit, at a cost of several holes from the current program (due to limited budget and drill size). New access by an alternate route is being will be developed later this year.

EXPLORATION AND MINESITE ACTIVITY

Red-Chris
* American Bullion will submit a pre-application for mine development of the Red Chris Cu-Au porphyry deposit. The company is scoping feasibility of mining Red Chris by open pit or underground block caving, with adit access from Kluea Lake. Underground consideration stems from recent drilling which has extended the copper zone to 750 meters below surface. A deep angle hole intersected 0.51% Cu over 420 meters commencing at 392 meters down the hole. The focus of current drilling is to increase estimated open pit reserves from 157 million tonnes at 0.48% Cu and 0.37 g/t Au (at a 0.3% cutoff).

Table Mtn.
* Cusac Industries have reached the rich Michelle High Grade zone with their decline and impressive visible gold has been encountered. Drilling completed just ahead of reaching the zone intersected consistent 1-10 oz/ton gold over 1 meter. With good ore in sight and open for expansion, this could re-establish continuous mining and milling on the Cusac (Erickson) property.

* Georgia River drilling by Aquaterre will infill the zone of gold reserves indicated by prior drilling. Less work is planned on the adjoining Ashwood claims.

*Cyprus Amax are about to resume drilling at Taurus with 2 machines. Rumour has it that head office was suggesting 6 drills!

*Sable Resources are drilling at Shasta on the Creek zone where 0.516 opt Au and 24.5 opt Ag over 12.5 ft was intersected in 1994.

*Bronson Slope drilling is underway on the Cu-Au porphyry zone by Int'l Skyline.

*Austral Resources Ltd plan to drill Fire Mountain moly prospect in the Atlin area.

*Spokane Resources has optioned the Mac moly prospect from Rio Algom and are committed to \$250,000 and 800 meters of drilling this year. Prior drilling on one of three zones on the property includes an intercept of 0.1% Mo and 0.13% Cu over 187 meters.

PW (Smithers) - June '95