

VCS → Red Chris  
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American Bullion Minerals Ltd. controls and operates the Red Chris copper-gold property which is comprised of 156 two-post, fractional and modified grid mineral claims, totalling 452 units, that are located in the Liard Mining Division of northwestern British Columbia, Canada. The property is located on the Todagin plateau, approximately 20 kilometres southeast of the village of Iskut or 80 kilometres south of Dease Lake, at geographic coordinates 57° 42' North latitude by 129° 47' West longitude (N.T.S. map-sheet 104H/12W).

In 1994, American Bullion Minerals Ltd. purchased an eighty (80) percent interest in the Red Chris project with Teck Corporation retaining ten (10) percent participating and ten (10) percent carried net profits interest. The terms of the agreement include provisions by which Teck Corporation may place the property into commercial production and become project operator and thereby increase their interest in the property to fifty-five percent at which time American Bullion Minerals Ltd. would retain a forty-five percent carried and non-assessable interest.

The property is situated regionally within the eastern Todagin upland plateau; a subdivision of the Klastine Plateau that lies along the northern margin of the Skeena Mountains. It is readily accessible with helicopter support from several landing sites along Highway 37 (Stewart-Cassiar Highway) which is approximately 12 kilometres west of the central claim holdings. There is also a rough tote trail to the property that leads southward from the Coyote Creek-Ealue Lake road, approximately 8 kilometres west of Highway 37.

Between June 15th to November 7th, 1994 American Bullion Minerals conducted an aggressive exploration program to evaluate the known Red Chris copper-gold deposit and the exploration potential of the property. This work discovered continuous copper-gold mineralization within the Red Chris deposit over vertical distances of 400 metres and expanded the lateral dimensions of the deposit in a north-south direction. Field work also identified two very large exploration targets within 2 kilometres west of the deposit. The 600-metre long by 600-metre wide 'Far West' zone, centred at grid coordinates 99900 North by 48400 East, and the 700-metre long by 400-metre wide 'Gully' zone, centred at grid coordinates 99500 North by 48900 East, were identified by strong chargeability highs, resistivity lows and coincident anomalous copper and gold soil geochemistry. These two exploration targets comprise the area known as the 'Yellow Chris'. A 1994 mineral inventory of the Red Chris deposit showed that the drill-indicated geological resources ranged between 320,380,000 tonnes grading 0.379 percent copper and 0.296 g.p.T. gold at a 0.2 percent copper cutoff to 60,830,000 tonnes grading 0.674 percent copper and 0.549 g.p.T. gold at a 0.50 percent copper cutoff. Continued detailed exploration of the Red Chris deposit and the two large untested exploration targets was recommended to expand the mineral inventory of the property and complete a prefeasibility study in 1995.

The Red Chris deposit is a bulk tonnage copper-gold deposit with hybrid alkalic and calc-alkalic porphyry copper characteristics. It is hosted by the Red stock which is a hypabyssal plagioclase-hornblende porphyry intrusion of monzodioritic to quartz dioritic composition. The emplacement of the intrusion and its subsequent pervasive alteration, sulphide mineralization and late-stage dykes are controlled by reactivated, east-northeasterly faulting. Several north-northwesterly normal and oblique faults occur along the length of the stock, and they appear to have been responsible for displacements of the copper-gold mineralization and its associated quartz vein stockwork zones.

Chalcopyrite and lesser bornite occur as disseminations and fracture fillings associated with well developed quartz-sulphide vein stockwork zones which are spatially- and probably genetically-related to east-northeasterly, subvertical faulting along the central east-northeasterly trending axis of the Red stock. Microscopic gold grains are intimately associated with the copper sulphides. Copper versus gold grade ratios (percent copper versus grams per tonne gold) of the mineralization change laterally in a westward direction from 1:0.8 to 1:4. This westward transition of copper-gold ratios is coincident with increased pyritization, decreased bornite mineralization and a dominant phyllic alteration facies.

The 1995 exploration program included: geological mapping along the exposed strike length of the Red Stock at a scale of 1:1,000; linecutting and reconnaissance soil geochemical sampling over a 4-by 1-kilometre area west of the 1994 survey control grid; HQ- and NQ-size diamond drilling (112 holes totalling 36,770.46 m. or 120,630 ft.) of the Red Chris deposit and Yellow Chris areas (Gully and Far West deposits); BQ-core geotechnical drilling of proposed tailings site 'A' within the Kluea Lake valley (3 holes totalling 59.44 m. or 195 ft.); continued baseline environmental studies (fish and wildlife, hydrology, water sampling, etc.); metallurgical and mining engineering studies; and documentation of all exploration results for preparation of a prefeasibility report on the project. It is expected that the expenditures for the 1995 work will total CAN \$6.0 million.

The 1995 diamond drilling program was successful in discovering copper-gold mineralization across the width of the Red stock and over a 400-metre strike length west of the known Red Chris deposit. Furthermore, exploration drilling over a 2-kilometre strike length, west of the deposit, discovered significant copper-gold mineralization now defined as the Gully and Far West deposits. The property has now been tested by 244 diamond and 44 percussion drill holes, or more than 74,661 metres of drilling, and the results from this work indicate that the Red Chris deposit is still open both laterally and vertically, and the Far West and Gully deposits may host substantial copper-gold mineralization amenable to open cast mining.

The 1995 diamond drilling program successfully traced a 400-metre western extension of the Red Chris deposit and discovered significant gold-rich mineralization along the southern margins of the Red stock. Current drilling results indicate that there are two near-surface core zones within the Red Chris deposit that grade greater than 0.6 percent copper and 0.6 g.p.T. gold and are probably amenable for 'starter' pit open cast mining. These zones are separated and surrounded by a much larger, less well delineated zone of greater than 0.25 percent copper and 0.2 g.p.T. gold mineralization. The strike length of the Red Chris deposit is now in the order of 2.3 kilometres with widths ranging from 250 to 700 metres or more. Deep drilling within the eastern portion of the deposit intersected significant copper-gold mineralization at a depth of 750 metres beneath the surface and there was no evidence that the mineralization is diminishing. Reserve calculations for the Red Chris project are currently underway with expectations of defining a significant increase to the 1994 reserves.

Exploration drilling over a 2-kilometre strike length, west of the Red Chris deposit, discovered significant near-surface copper-gold mineralization underlying two exploration targets in the Yellow Chris area. Two east-west trending, subvertical zones of significant copper-gold mineralization were discovered in the Gully Zone; centred at grid coordinates 99800 North by 49000 East and 99200 North by 49000 East. Mineralization remains open laterally and vertically, have been tested by widely-spaced drilling over strike distances of 400 to 500 metres and widths from 200 to 300 metres. Drill intercepts in the Gully deposits typically grade more than 0.3 percent copper and 0.3 g.p.T. gold over lengths of 15 to more than 300 metres. There are also exceptionally high grade sections within this mineralized zone, such as the one intercepted by DDH 95-168, with grades of 1.486 percent copper and 3.266 g.p.T. gold over 18.29 metres.

The Far West deposit is defined by a 600-metre by 600-metre coincident geochemical and geophysical exploration target centred at grid coordinates 99900 North by 48400 East. It was tested with widely-spaced drilling directed at the centre of a strong high chargeability-low resistivity geophysical anomaly. This drilling intersected gold-rich pyrite-chalcopyrite mineralization in two subvertical, easterly trending structures centred at 99800 North by 48500 East. Assay results indicate that the copper to gold grade ratios are in the order of 1:3 with copper grades typically ranging from 0.2 to 0.35 percent and gold values ranging from 0.6 to 0.75 g.p.T. Additional drilling will have to be completed within this deposit for definition of a mining reserve.

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