

San Juan River  
Area  
887356  
92C/9

GEOLOGICAL REPORT AND WORK PROPOSAL

ON THE

SAN JUAN RIVER PROPERTY

SOUTHERN VANCOUVER ISLAND

FOR

PAN ISLAND RESOURCE CORP.

N.T.S. 92C/9

VICTORIA M.D.

BY EDWARD W. GROVE, Ph.D., P.Eng.

VICTORIA, B.C.

APRIL 21, 1986

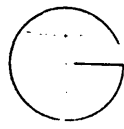
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SUMMARY

The Pan Island Resource Corp. mineral property lies immediately east of Port Renfrew on southern Vancouver Island. Access from Port Renfrew to the claims, by logging road, is good. The topography is moderate, the climate is generally mild, and exploration can usually proceed during eight to ten months of the year.

Fine placer gold has been known in many of the local streams for years and several gold bearing quartz veins have been discovered in the immediate area. Part of the property has strong geologic similarities to the auriferous Valentine Mountain area. In addition, a variety of base metal gold/silver bearing occurrences as well as iron formation have been uncovered along the San Juan River and on the northern side of the river. Thus the property includes two diverse geological environments, one south of the San Juan River corresponding to Valentine Mountain with attributes of a number of major Precambrian gold camps, and second, a complex north of the--San Juan River with similarities to central and northern Vancouver Island where major massive sulfide porphyry and contact deposits have been or are still being mined.

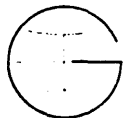
Work on this property has included a detailed airborne VLF-E.M. and magnetometer survey in 1984 which in conjunction with geochemical surveys in 1984 and 1985 have outlined a number of target areas.

This property presents a situation where easy access, good weather and requisite geological environments suggest and warrant further mineral exploration.

A program including detailed soil geochemistry, stream sampling, geological mapping, trenching and sampling followed by limited core drilling is recommended. The program is estimated to cost \$75,000.00.

INTRODUCTION

The Pan Island Resource Corp. mineral property on southern Vancouver Island lies immediately east of Port Renfrew along both sides of the San Juan River. The property includes 33 staked, contiguous mineral claims comprising 522 units covering about 13,034 hectares (32,207 ac). This property lies on the boundaries of the EBB, OX, SPANISH, KINSLEY, and SOMBRIO claim groups where gold/quartz veins have been discovered in recent years, and is west of both the Expedito Resource Group, and Beau Pre Explorations gold properties where high grade gold quartz veins have been under exploration since 1981.



The discovery of placer gold west of Victoria in the Leech River in 1864 led to a major rush in the area which lasted only a few years. Subsequently many of the streams flowing across the rock unit known as the "Leech River Schists" have been panned and shown to contain fine gold or "colours". These streams include at least two thirds of all the known gold placer deposits on Vancouver Island and crudely outline a unique geologic environment.

It was not until 1976 that significant native gold was found in place in narrow quartz veins within the Leech River on Valentine Mountain, about 42 kilometers west of Victoria. Subsequently a detailed stream silt survey accompanied by detailed prospecting during 1981 revealed a large number of gold bearing quartz veins localized within an area about 3000 meters long (E-W) and from 200 to 300 meters wide on the upper east slope of Valentine Mountain. Although there have been a variety of geological surveys and studies in the area it is now obvious that the real geology of the Leech River rocks is far more complex than previously assumed.

Lode gold deposits found at Valentine Mountain since 1976 and more recently at the OX property south of the San Juan River in 1980 and at the RENA property on Loss Creek in 1983 have increased exploration interest in what is still a relatively poorly known and virtually unexplored area.

Mineral exploration in this area which lies partly within the west end of the Leech River metamorphic complex has been basically limited to the main highway and older well developed logging roads and originally concentrated on copper deposits. Recent work by prospectors has shown the area is geologically more complex than suspected and that several types of gold deposits can be expected. Until recently all of the placer gold found in streams on the southern part of Vancouver Island were judged to be derived from reworked glacial deposits. The discovery of free gold in quartz veins within the Leech River complex from Sooke to Port Renfrew refutes this outdated concept.

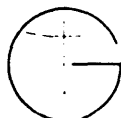
Work on Pan Island Resource Corp.'s San Juan property has so far included preliminary property geology, a detailed airborne VLF-EM survey completed in 1984 comprising 600 line kilometers, reconnaissance soil and silt sampling, follow-up soil and stream sampling in 1984, and detailed soil and silt sampling accompanied by analysis of pan concentrates in 1985.

The detailed airborne geophysical survey of the Pan Island property has crudely outlined the broad geologic diversity and structure, and has indicated a number of magnetic

and VLF-EM anomalies of interest along and north of the San Juan River. The VLF-EM data produced numerous conductivity responses many of which can be resolved as geologic faults and shear zones. The geophysical survey over the San Juan Ridge portion of the property showed an overall uniform magnetic response marked by small anomalies and a number of northeasterly trending VLF-EM axes probably reflecting faults and shears. Preliminary geological studies have shown the presence of a variety of intrusive bodies north of the San Juan River, a complex pillow lava - sediment - iron formation along the San Juan River, and a thick sequence of folded Leech River Assemblage rocks forming the San Juan Ridge. Work in the general area has shown the presence of a variety of mineral deposits including copper, iron, cobalt, nickel, vanadium, and gold associated with a variety of unique geologic conditions. To date, the Tertiary lode gold deposits form the most diverse group occurring in a number of distinct environments. The preliminary geochemical survey work in the general Leech River Block has shown that anomalous arsenic in silts and soils provides a useful pathfinder to local gold occurrences and deposits. Further analysis of the 1985 Pan Island data suggests that silver also serves as a pathfinder element.

The writer has been active in the area for a number of years and spent several days on the property in the last year. As a result of regional and detailed studies the writer has introduced a new geological model to relate stratigraphy, deformation, metamorphism, igneous activity and gold mineralization. This model compares favorably with concepts in major gold camps in other parts of the world and can be applied to exploration in the Leech River Block.

This report outlining geological relationships and recommending a work program was written at the direction of Pan Island Resource Corp.



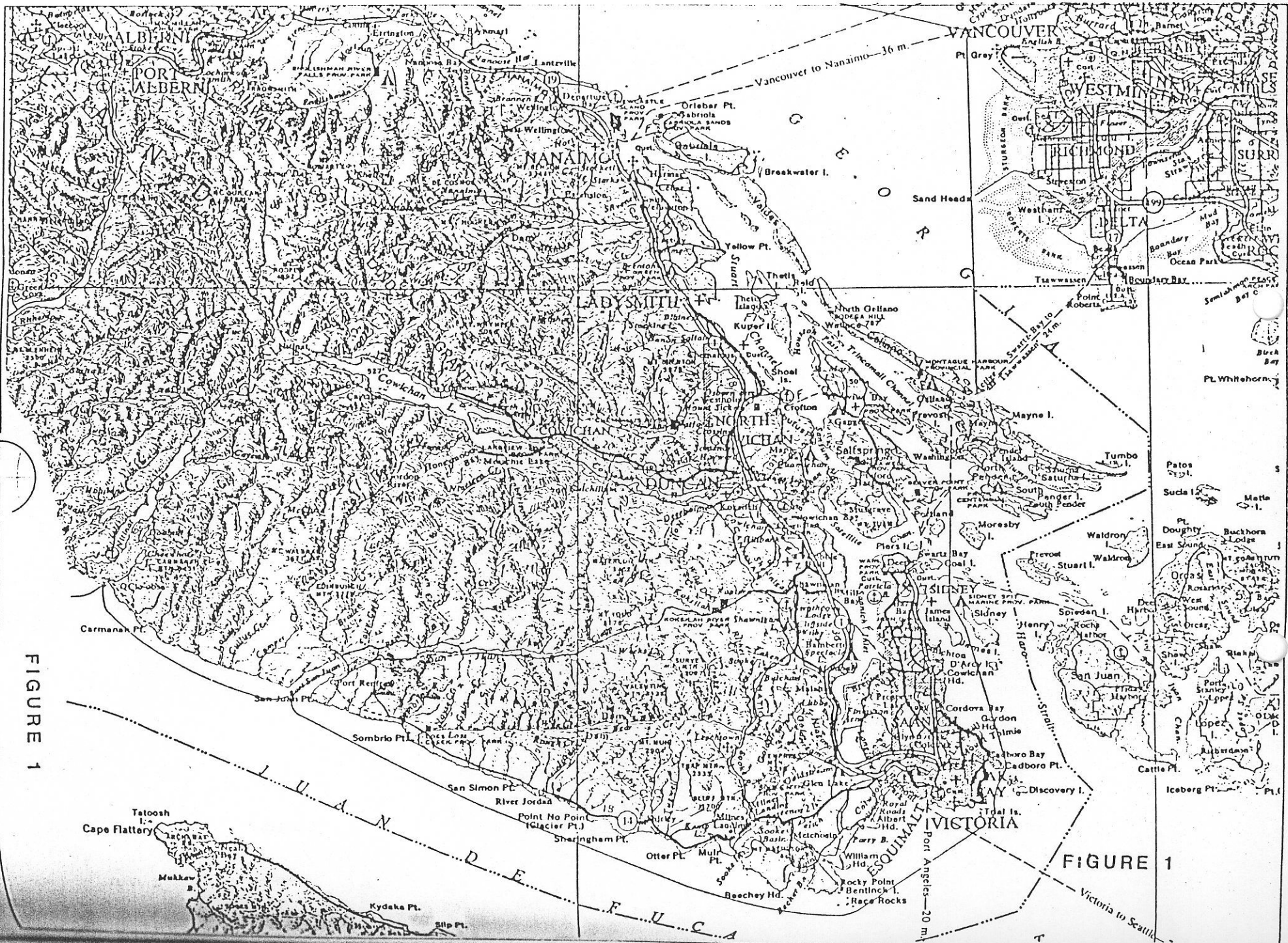


FIGURE 1

FIGURE 1

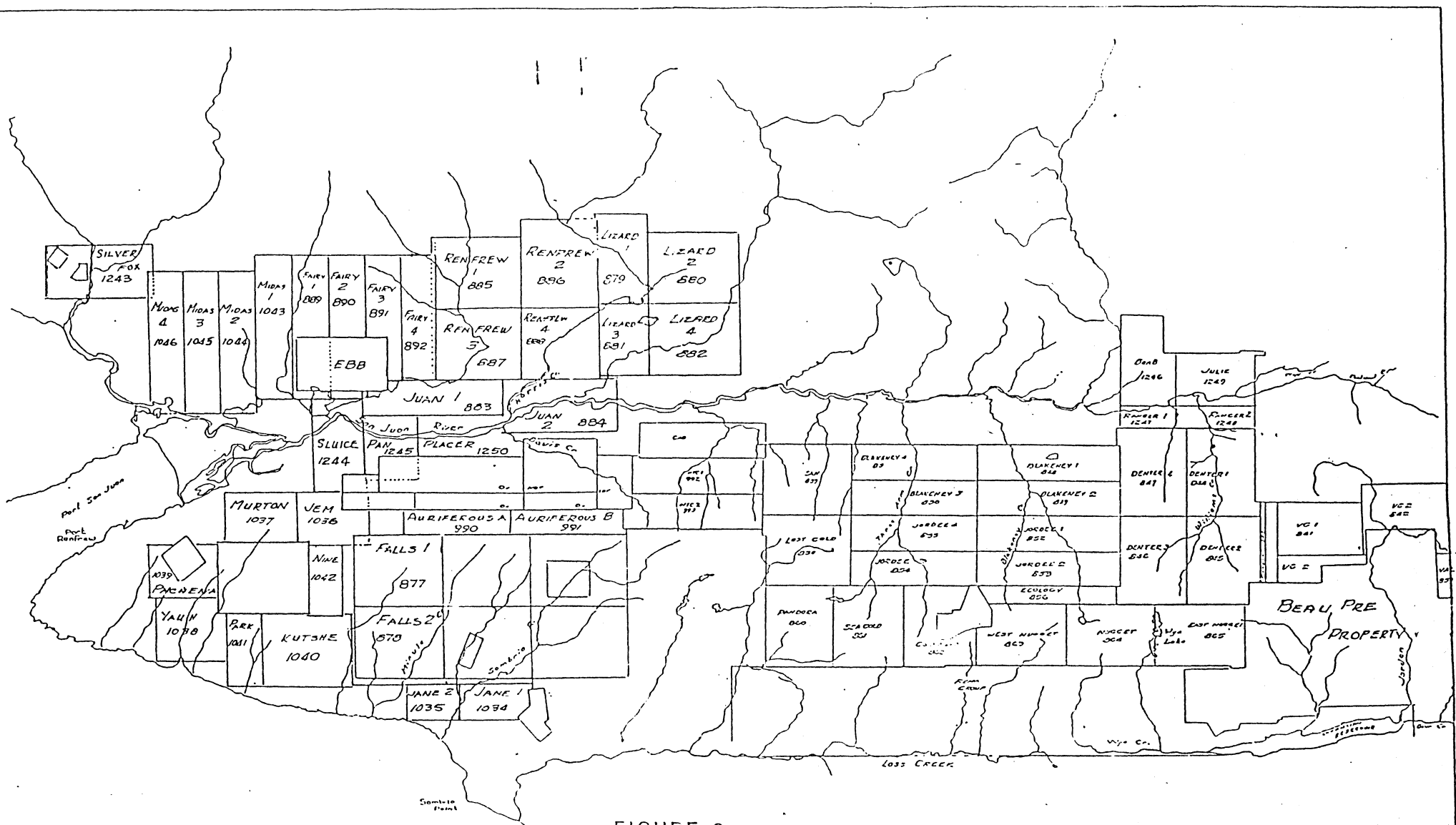
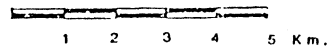


FIGURE 2  
CLAIM MAP



LOCATION, ACCESS AND GEOGRAPHY

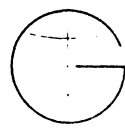
Pan Island Resource Corp.'s mineral claims form an irregular H-shaped property extending along and north of the San Juan River, and along San Juan Ridge just east of Port Renfrew (Figure 1). Port Renfrew lies at the end of a paved highway about 80 kilometers westerly of Victoria, B.C. Most of the property can be reached from Port Renfrew by a number of access and logging roads by truck or motorbike. Because of the mild climate in the area field work can proceed during eight to ten months of the year depending on the elevation and of course the locally variable snowfall. From the San Juan River at roughly sea level the claims rise to a little over 1000 meters north of the river on the FAIRY 2 claim near the head of Fairy Creek, and to about 850 meters on the crest of San Juan Ridge on the SOMBRIO 1 claim. All of the claims are cut by relatively close spaced north and south flowing major streams. Large portions of the mineral property have been logged off exposing scattered rock outcrop. The remaining unlogged areas are covered by a deep overburden and a thick mature forest.

PROPERTY

The mineral property now held by Pan Island Resource Corp. includes 33 contiguous staked mineral claims comprising 522 units. The property is roughly H-shaped centered on the San Juan River with an overall length of about 19 kilometers and a north-south width of about 15 kilometers (Figure 2).

<u>CLAIM NAME</u>	<u>UNITS</u>	<u>RECORD NO.</u>	<u>ANNIVERSARY DATE</u>
LIZARD 1	15	879	11 APRIL 1986
LIZARD 2	20	880	11 APRIL 1986
LIZARD 3	12	881	11 APRIL 1986
LIZARD 4	20	882	11 APRIL 1986
JUAN 1	16	883	11 APRIL 1986
JUAN 2	18	884	11 APRIL 1986
RENFREW 1	20	885	11 APRIL 1986
RENFREW 2	20	886	11 APRIL 1986
RENFREW 3	20	887	11 APRIL 1986
RENFREW 4	16	888	11 APRIL 1986
FAIRY 1	16	889	11 APRIL 1986
FAIRY 2	16	890	11 APRIL 1986
FAIRY 3	14	891	11 APRIL 1986
FAIRY 4	14	892	11 APRIL 1986
MIDAS 1	16	1043	19 JULY 1986
MIDAS 2	16	1044	19 JULY 1986
MIDAS 3	16	1045	19 JULY 1986
MIDAS 4	16	1046	19 JULY 1986

...cont.'d





<u>CLAIM NAME</u>	<u>UNITS</u>	<u>RECORD NO.</u>	<u>ANNIVERSARY DATE</u>
SILVER FOX	18	1243	05 JUNE 1986
SLUICE	18	1244	05 JUNE 1986
PAN	12	1245	05 JUNE 1986
PLACER	18	1250	05 JUNE 1986
FALLS 1	20	877	11 APRIL 1986
FALLS 2	20	878	11 APRIL 1986
JANE 1	15	1034	19 JULY 1986
JANE 2	12	1035	19 JULY 1986
JEM	12	1036	19 JULY 1986
MURTON	12	1037	19 JULY 1986
YAUH	16	1038	19 JULY 1986
PACHENA	12	1039	19 JULY 1986
KUITSHE	20	1040	19 JULY 1986
PARK	8	1041	19 JULY 1986
NINE	<u>8</u>	1042	19 JULY 1986
	522 UNITS		

HISTORY

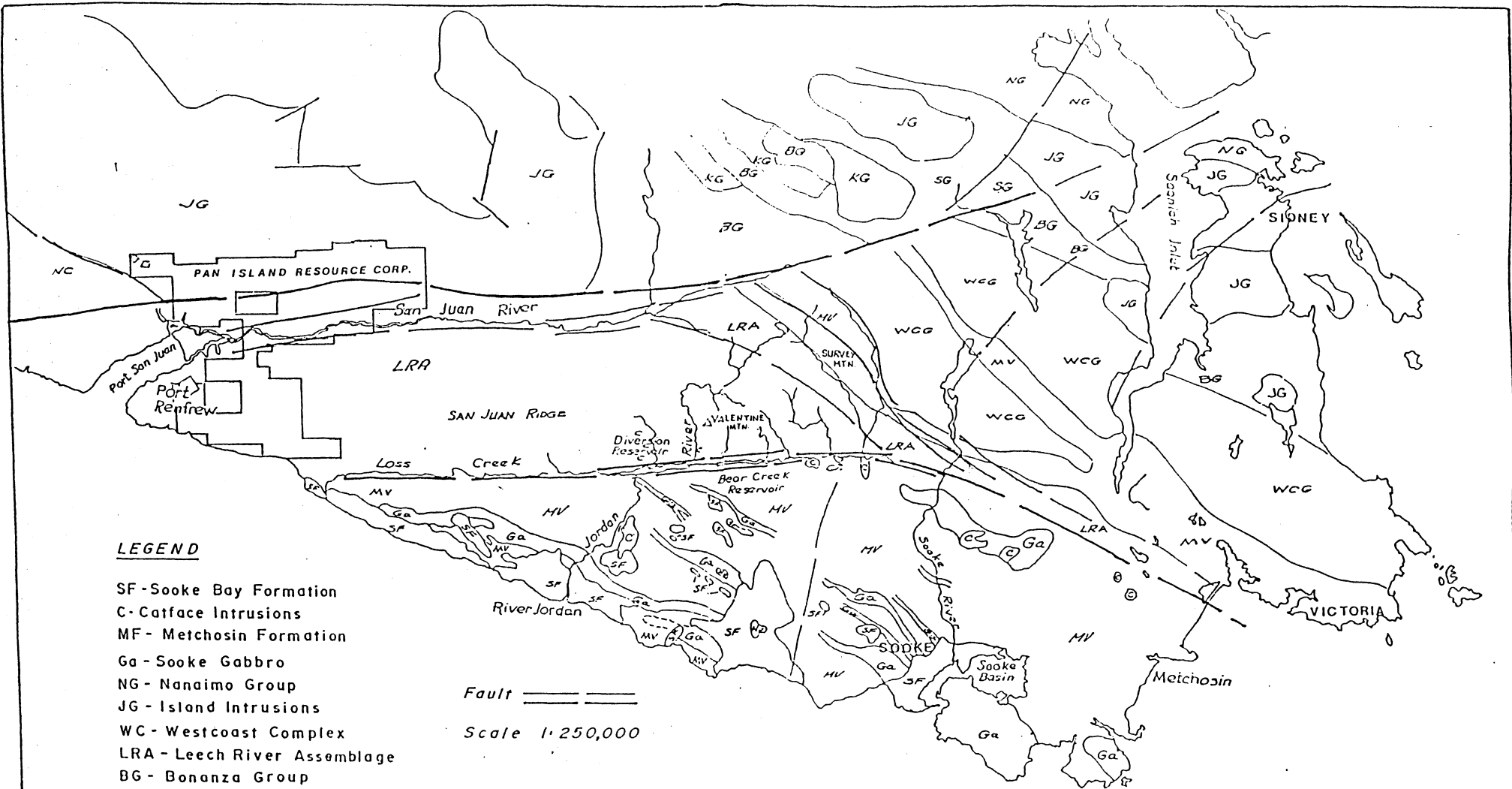
Available historical records show that placer gold was first found in southern Vancouver Island by Lieutenant David Leech and party on the Leech River in 1864. Although rumours persist that Spaniards had mined placer gold on the San Juan River and Loss Creek at an earlier date no records survived. In more recent years placer gold has been recovered along portions of the San Juan, Jordan, Sooke, and Leech rivers, Loss Creek, Clapp Creek, Old Wolf Creek and other small unnamed creeks that cut across rocks of the San Juan Ridge.

More recently detailed exploration in the area east of Walker Creek has shown significant placer gold in the Jordan River and Valentine Creek which has been shown to be related to the gold bearing quartz veins localized within metasediments on Valentine Mountain.

Detailed prospecting on the Beau Pre property led to the discovery in 1976 of the 'A' vein, a narrow quartz vein with visible bright yellow gold similar to the placer gold recovered from local creeks. Since 1980 when the writer examined the property and determined the nature and structure of the mineralization a total of 85 gold bearing veins have been discovered in an east-west trending zone about 300 meters wide by 2000 meters long. Drilling has also shown the continuity of the vein systems over a depth of at least 125 meters.

In 1982 another free gold in quartz discovery was made by prospector Ted Archibald at the OX property located east of Port Renfrew on the south side of the San Juan River. Previous





**LEGEND**

- SF - Sooke Bay Formation
- C - Catface Intrusions
- MF - Metchosin Formation
- Ga - Sooke Gabbro
- NG - Nanaimo Group
- JG - Island Intrusions
- WC - Westcoast Complex
- LRA - Leech River Assemblage
- BG - Bonanza Group
- KV - Karmutsen Group
- SG - Sicker Group
- MV - Malahat Volcanics
- WCG - Wark & Colquhoun Gneiss

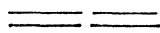
Fault   
 Scale 1:250,000

Figure 3  
 GENERAL GEOLOGY  
 SOUTH VANCOUVER ISLAND

*(adapted from Clapp, Carson, Fairchild, Muller, Grove)*

work on this property has shown significant gold values in arsenopyrite-bearing dioritic dikes. In 1983 an auriferous quartz vein - quartz stockwork system was discovered by geochemical surveys west of Valentine Mountain near the head of Loss Creek on the RENA property.

In addition to the gold potential of the Leech River Block metasediments, recent prospecting efforts on the GAD property located east of Port Renfrew along the south side of the San Juan River has disclosed an extensive 'iron formation' unit with significant cobalt, nickel, and vanadium content. The gold potential of this formation which appears to extend west into the SLUICE claim remains to be explored. Gold occurrences have also been noted in the Baird Creek area now covered by the SILVER FOX claim.

Base metal mineralization has also been located just north of the San Juan River in an area marked by geological complexity involving Paleozoic and younger country rocks and Mesozoic intrusives. Mineralization discovered to date includes contact and strata bound deposits with pyrite, magnetite and chalcopyrite with some gold and silver values. The Pan Island claims cover a significant area along the San Juan River which remains to be explored for base metal deposits.

#### GENERAL GEOLOGY

This portion of southern Vancouver Island is marked by the strong east-west trending San Juan and Leech River fault zones (Figure 3). Rocks north of the San Juan River fault are generally considered to include a variety of Mesozoic and older country rocks intruded by the Mesozoic Island Intrusions. The segment lying between the two major faults is known as the Leech River Block and includes a variety of folded volcanic and sedimentary units altered by regional metamorphism and cut by scattered swarms of Tertiary intrusives.

The general geology of Vancouver Island was first studied by George M. Dawson (1887) who made a reconnaissance of the Leech River area in 1876 and examined the newly discovered Leech River placer gold deposits. Subsequently a more detailed study of Southern Vancouver Island by Charles H. Clapp (1912) resulted in the basic geological framework which persists today. The most recent general geology of southern Vancouver Island has been produced by J.E. Muller (1975, 1977). Detailed geology of the Survey Mountain area by L.H. Fairchild (1979) and of the adjacent Valentine Mountain area by Edward W. Grove (1982) provide the only current descriptions of the rocks comprising the Leech River Block, the structural framework, and the gold bearing quartz veins.

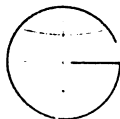


Generally, all of the rock units forming the Leech River Block (San Juan Ridge) were called Leech River formation by Dawson and Clapp who considered these units to be the oldest on Vancouver Island. Muller (1975) subsequently suggested the country rocks represented mainly turbiditic greywacke-argillite sequences latterly metamorphosed to schist and slate and were of possible Triassic-Jurassic age.

All of the published reports restrict the Leech River schists to a unique structural block between the apparently simple throughgoing San Juan fault on the north, and the equally simple, parallel Leech River fault on the south margin (Figure 3). Fairchild (1979) showed that the easterly end of the Block included a variably metamorphosed sequence which included both metavolcanics and metasediments forming a large gently easterly plunging antiform. He also suggested that the San Juan and Leech River faults now outline an allochthonous microplate pushed into position during the Tertiary.

Geological studies in various parts of this area since 1976 have completely revised concepts regarding the lithology, structure, and mineral potential of the Leech River Block. So far detailed geological mapping near Port Renfrew, and in the east half of the block from Walker Creek to Survey Mountain shows that rocks forming the Leech River Block are dominated by thick sequences of metasandstone with intercalated metapelites, quartzites, metavolcanics, 'iron formation', and minor limestone. This assemblage has been folded by compressive forces into relatively simple, large, open, easterly plunging folds. The fold geometry is controlled by the competent thick metasandstone units which express cylindrical fold geometry. Recognition of a series of unique metavolcanic members (amphibolites) within this pile by the writer as marker horizons has allowed the interpretation of the regional and detailed rock structures and has led to recognition and interpretation of metamorphism and mineralization.

Rocks forming the Leech River Assemblage have undergone two well defined but overlapping periods of metamorphism in part followed by Eocene intrusion along the strong east-west fold trends. The combination of regional metamorphism and late intrusive activity has culminated in upper amphibolite grade mineral assemblages. In the metapelites (mudstone) the rocks exhibit staurolite-andalusite garnet-biotite mineral assemblages. Andalusite represents the early high temperature phase and is unstable, and staurolite represents the lower temperature second phase metamorphic event. In the altered volcanic rocks metamorphism is marked by lower grade actinolite-chlorite to higher grade hornblende-biotite material in which magnetite, epidote, calcite and sphene are common and



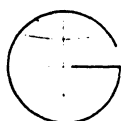
tourmaline marks upper amphibolite alteration. Because metasediments which dominate the rock assemblage rarely indicate metamorphic grade, intercalated schists which are fairly common are the best local guides. Andalusite remnants, known as shimmer aggregates, marking the overall high grade nature of the rocks have now been identified through most of the block. Late stage faulting and shearing along the San Juan and Leech River structural zones and the related conjugate shears have resulted in extensive retrograde metamorphism masking earlier minerals and textures. Faulting and cataclasis of the Eocene intrusive rocks as well as the associated pegmatites and gold-quartz vein systems represent the latest significant geological event in the Leech River Block.

The north side of the San Juan River is not yet as well known as the Leech River Block which has now benefitted from detailed geological studies related to the gold deposits. As shown in Figure 3 the bulk of the mapped units north of the San Juan River include metamorphics of the West Coast Complex and Island Intrusions with scattered areas of country rock. The preliminary mapping of this portion of the Pan Island property shows a considerable complexity which is not apparent on the published regional geological map.

#### PROPERTY GEOLOGY

Preliminary geological mapping and some prospecting of the Pan Island Resource Corp. property show that the claims encompass a variety of sedimentary, volcanic, metamorphic and intrusive rocks marked by major faulting, shearing, and folding. Three apparently distinct geologic systems are separated by the major east-west trending San Juan Fault zone, and by the east-west trending Leech River Fault zone forming the central Leech River Block and southerly Metchosin Block (Figure 3). The preliminary geological study has shown that the property encompasses a number of the main lithological and structural features known so far to favour the localization of gold, base metal and iron mineralization.

The portion of the mineral property north of the San Juan Fault includes a variety of sedimentary and volcanic rocks, altered correlatives and extensive intrusive bodies. At the northwest end of the property on the SILVER FOX claim the underlying rocks include a wide northwest trending zone of Paleozoic sediments including limestone cut by dioritic and quartz diorite Island Intrusions. North of Fairy Lake (FAIRY claims) quartz monzonite and granodiorite intrusives enclose extensive pendants and inclusions of altered and deformed volcanic and sedimentary rocks. The eastern portion of these claims comprises mainly Island Intrusions and scattered country



rock inclusions. Relatively little rock is exposed within the San Juan Fault zone in the lower valley. These few exposures include massive sedimentary rocks, some volcanics and phyllites.

The geology of the Leech River Block portion of the Pan Island mineral property comprises a thick sequence of open folded meta-sandstone with intercalated altered siltstone, minor limestone and some amphibolite. The metamorphic grade is generally middle to upper amphibolite as expressed by the presence of garnet and andalusite. These units have been cut by swarms of east-west trending diorite and feldspar porphyry dikes and by east-west and northwest-southeast shear zones and faults. The nature and extent of the strata in this assemblage can be readily seen by traversing the well exposed sections along Minute Creek and the Sombrio River.

The San Juan Fault zone is the dominant geologic structure affecting the continuity of geologic units in the general area and as indicated appears to separate the Leech River Block rocks from the more extensive Vancouver Island Group units. The San Juan Fault is not a single fault line but a complex zone of shearing involving a wide diversity of rocks along the zone now recognizable as phyllites and semi-schists. In addition to the main fault zone the rock units of the Leech River Block have been cut by hundreds of narrow southeasterly trending shears, many of which appear to extend into the Leech River Fault zone forming a complex conjugate fault system. In addition to cutting and offsetting the rock units of all ages, these faults and shears have transected most of the known mineral deposits. In the instance of the Tertiary gold quartz vein systems this crushing appears to have played a major role in releasing free gold to eluvial materials which have since been concentrated by the many streams as placer gold deposits.

#### MINERALIZATION

Information on the occurrence and controls of gold mineralization in the Leech River Block comes primarily from the detailed geologic studies made at Valentine Mountain, on the Beau Pre property, along Loss Creek on the Gator Resources property, and near Port Renfrew on the OX and GAD claims. From these the most useful data comes from the detailed mapping, drilling, and sampling program completed by Beau Pre Explorations Ltd.

Detailed geologic mapping, trenching, sampling, core drilling and prospecting on the Beau Pre property has shown that free gold occurs in a multitude of quartz veins in several areas. The Discovery Zone on which most of the work has been done has a length of at least 2000 meters and an exposed width of 200 meters and has been drilled to a 125 meter depth. The



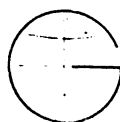
detailed geology/petrology studies on this zone have shown that the gold mineralization is localized in late fracture controlled quartz veins in both the hanging wall and footwall portions of amphibolites showing the high temperature mineral assemblage tourmaline, hornblende, calcite, biotite-magnetite-epidote. This strong correlation of structural, metamorphic and lithologic features provides a geologic model for local exploration. This type of occurrence is well known in the major gold camps of Ontario and Kolar, India.

At Loss Creek on the RENA claims significant gold values have been found in a 60 meter wide quartz vein-stockwork system in which pyrite and arsenopyrite are abundant. Here the host rocks are intimately intercalated metasandstone, andalusite schist, and amphibolite cut by thin sill-like granodiorite dikes. This gold bearing zone which cuts across all the rocks including the granitic dikes shows a similar fracture control and fracture orientation to Beau Pre's Discovery Zone.

On the OX claims near Port Renfrew gold was first discovered associated with arsenopyrite bearing narrow diorite and aplite dikes in schist. Subsequent work has shown that these dikes include aplite, felsite, and diorite types and can be traced along zones up to 8 kilometers long within a complex schist, volcanic rock, chert sequence found along the San Juan River. In addition late free gold bearing fracture controlled quartz veins were found on the OX property in 1982 and it has been suggested that the complex lithology has the potential for stratabound gold deposits.

Recent work on the GAD claims has shown the presence of an extensive pillow lava, schist, chert, phyllite, magnetite (iron formation) complex that parallels the regional 080°-090° trend and appears to lie within the south edge of the San Juan structural zone. On the basis of location this sequence appears to form part of the extensive zone found southwest on the OX and south on the adjacent HTC claims. The GAD mineralization has been prospected for magnetite and accessory cobalt, nickel, copper and vanadium. The potential for stratabound and quartz vein gold mineralization has only recently been realized. Gold mineralization has been recognized in and mined from iron formation units for many years in Ontario (Geraldton for example); and extensive new discoveries in the Joutel area of northwestern Quebec in similar complex lithologies have sparked a new Hemlo-size gold rush.

Although gold mineralization has been the main driving force behind almost all the exploration in the general area in recent years, the potential for base metal contact metamorphic, massive sulfide, and porphyry deposits with associated gold and



silver exists. The area along and north of the San Juan River with the wide variety of sedimentary and volcanic rocks, and extensive plutons presents the requisite geological conditions for such deposits.

Even at this preliminary stage it is apparent that the Pan Island mineral property presents the requisite geological conditions in two very diverse environments for the concentration of gold as well as copper, 'iron ore', cobalt, nickel and vanadium.

#### WORK ON THE PROPERTY

To date exploration work on the Pan Island Resource Corp. property has included an airborne geophysical survey, reconnaissance and detailed geochemical surveys and a preliminary geological assessment. The latter has been summarized in the preceding sections.

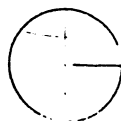
#### GEOPHYSICAL SURVEY

A total of about 600 line kilometers of helicopter borne magnetometer VLF-EM system spaced at 300 meters were flown in 1984 in a north-south direction over the claim group. The VLF-EM conductors show numerous strong east-west and north-easterly trends and less prominent northwesterly trends. These features suggest a number of intersecting faults and possibly rock contacts. The two major magnetic lows follow the San Juan and Leech River structural zones and phyllitic zones developed in the adjacent Leech River Block. Four of these anomalies located near roads north of the San Juan River were tested by detailed geochemical soil-silt surveys in 1984.

#### GEOCHEMISTRY

Soil and silt samples were taken during 1984 and 1985 in easily accessible portions of the geophysical survey block to test certain anomalies. Abundant soil and silt sampling in the Leech River Block has shown the strong correlation of trace arsenic with the known gold and gold/silver mineral deposits. So far, stream silt sampling with follow-up soil sampling has resulted in both indicating and outlining this mineralization in most parts of the Leech River Block. Used in conjunction with detailed geology and geophysics, geochemical sampling provides a cost effective method for prospecting and exploring property in this general area.

Results of an orientation study of the Pan Island geochemical data by Harris (1986) have reinforced the concept





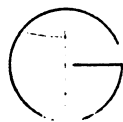
that soil geochemistry coupled with prospecting for lode gold and sulfide mineralization remains a prime exploration tool in the Port Renfrew area. Harris has also confirmed that the B-horizon is a satisfactory medium for sampling and has suggested that both arsenic and silver should be used jointly as pathfinders. In addition gold should be analysed in soils for all anomalous areas. Harris also advocated the continued use of silt sampling as a reconnaissance method.

### CONCLUSION

The Pan Island Resource Corp. mineral property at Port Renfrew involves two diverse geologic systems separated by a major fault system along the San Juan River. The claims north of the San Juan Fault zone include a variety of Paleozoic and Mesozoic sedimentary and volcanic rocks cut by the extensive Island Intrusives. Known mineralization in the area includes auriferous copper bearing contact deposits, cupriferous volcanics, and 'volcanogenic' massive sulfides, as well as extensive magnetite deposits. The detailed geology of this particular part of the property is not well known and, as suggested by the geophysical results and preliminary geochemistry, is far more complex than suggested by the regional work.

The Leech River Block portion of the property has an apparent stratigraphy and structure fairly typical of the better known portions of this area. A number of gold quartz veins and vein systems comparable to the Beau Pre deposits have already been discovered in the Port Renfrew end of the Leech River Block adjacent to the Pan Island claims. In addition, it appears that the main iron formation unit outlined on the GAD property should extend into the JUAN claims and may include massive sulfide material such as located on the EBB.

The strongly anomalous (Au) pan concentrates from the southwest corner of the MURTON claim (Murton Creek) and from the MIDAS #2 claim should be explored in more detail. Both the above anomalies are located in areas where gold-quartz and gold-stockwork quartz vein systems have been previously located on adjoining properties. Anomalous soil results (As, Sn, Cu, Ni; Co, Cr) on the KUIT SHE (DBB 43-52), NINE (DBB 53-69), and JANE 1 (DBB 204-208) also indicate areas where quartz veins have been identified. The rocks in these claim areas are dominantly massive metasandstone with thinly intercalated andalusite schist and occasional amphibolite. Anomalous As in silts, soils and rocks is still considered the major pathfinder for gold in this area.



The continuous series of anomalous soils on the MURTON claim (JAB 39-95) outline an area with apparently anomalous As, Pb, W and Sb. Country rocks in this general area also include massive metasandstone, schist and minor amphibolite but are cut by an extensive E-W trending diorite (ic) dike swarm. Along the San Juan River this rock sequence in contact with an extensive massive sulfide bearing pillow lava, cherty siltstone sequence that has also been metamorphosed to upper amphibolite grade equivalents.

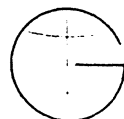
RECOMMENDATION

A program comprising both detailed work to evaluate current anomalies plus continued exploration of the claim block by geochemistry surveys and prospecting is recommended. Results of Stage I should be evaluated before proceeding with Stage II. The cost of the two stage program is estimated at about \$75,000.

1986 MINERAL EXPLORATION PROPOSAL FOR THE  
PAN ISLAND RESOURCE CORP. PROPERTY IN THE  
PORT RENFREW AREA, SOUTHERN VANCOUVER ISLAND

STAGE I

1. <u>Prospecting, Sampling, Trenching</u>		
2 men @ \$125/man/day	\$6,000	
Room and board	2,000	
Transportation	1,400	
Assays and analysis	4,400	
Sundries.	500	
Report, drafting & data processing	<u>1,500</u>	\$15,800
2. <u>Geochemical Surveys</u>		
2 Men @ \$125/man/day	7,000	
Room and board	2,400	
Transportation	1,700	
Analyses	4,600	
Sundries	600	
Report, drafting & data processing	<u>2,000</u>	18,300
3. <u>Geological mapping</u>		
follow-up including sampling, report		8,000
4. <u>Supervision &amp; documentation</u>		2,500
5. <u>Sundries, freight, etc.</u>		<u>400</u>
	SUB-TOTAL STAGE I	\$45,000



STAGE II

1. Trenching & sampling (including rentals, fuel, etc)	\$5,000
2. Core drilling 340 meters @ \$44/meter (all found)	15,000
3. Core logging, geological mapping	3,000
4. Supervision & documentation	- 2,500

SUB-TOTAL STAGE II \$25,500

TOTAL STAGE I + STAGE II \$70,500

CONTINGENCIES 4,500 --

PROPOSED BUDGET \$75,000 --  
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