TAKLA- RAINBOW

FAME '87
#16759

SUMMARY

888465

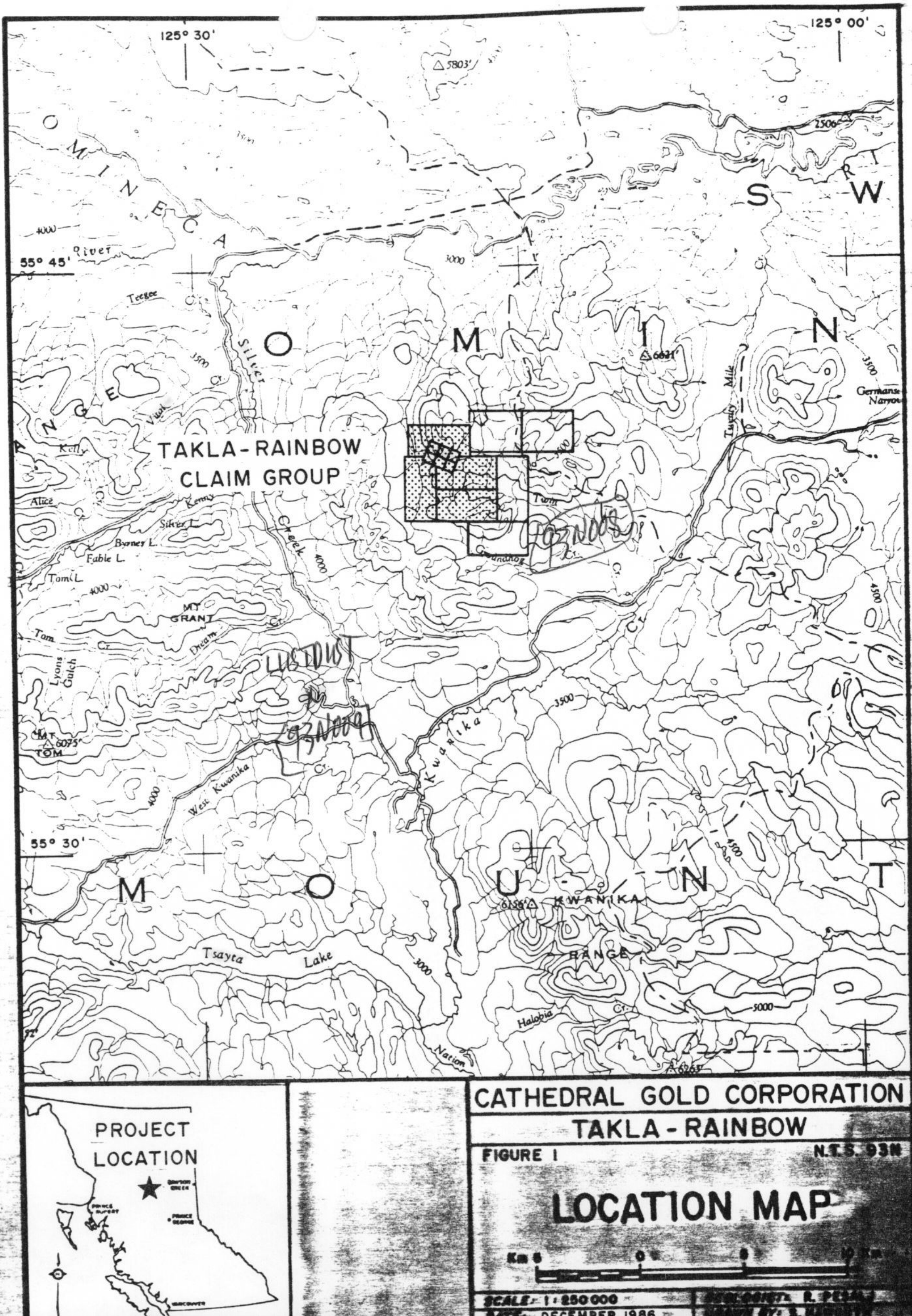
The Takla-Rainbow gold property of Cathedral Gold Corporation is located in North Central British Columbia, with a road access from Manson Creek, approximately 62 kilometers to the east.

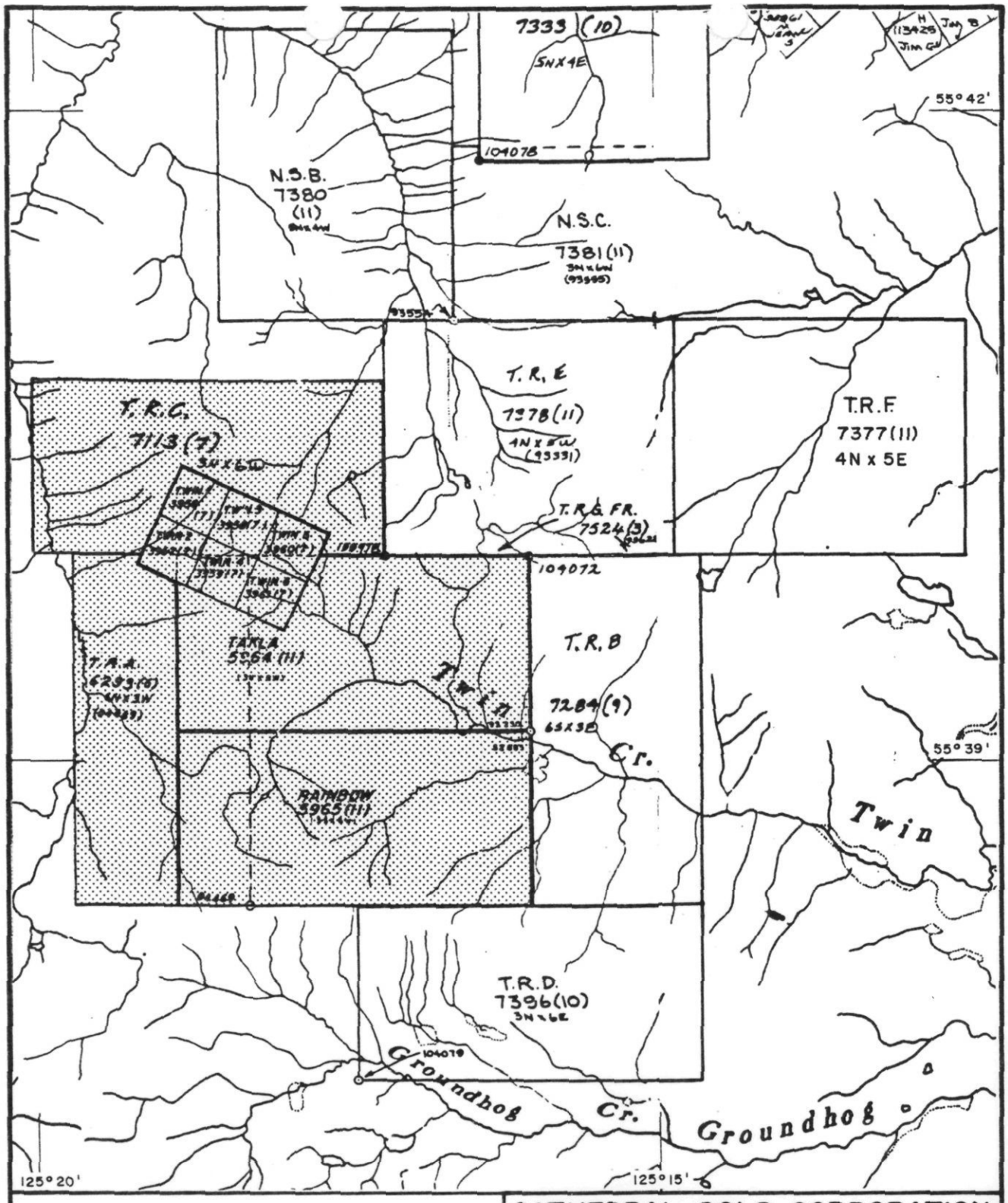
The general area is underlain by Lower to Middle Mesozoic volcanic and intrusive rocks that lie within the Quesnel Trough and represented by Takla volcanics and intrusive phases of the Hogen Batholith. Pinchi Fault and Permian Cashe Creek rocks lie approximately nine kilometers to the west of the property. Major mineral occurences in the area are Lustdust massive sulphide deposit located 12 kilometers to the southwest, numerous mercury and gold showings along the Pinchi Fault and a number of porphyry copper occurences, one of them located on the property. The area is an active placer mining camp known from the start of the century.

The property has been actively explored by Imperial Metals Corporation since 1983, when the first ground was staked as a result of a regional geochemical program along the Pinchi Fault. Ground work during the four field seasons followed and included geochemical, geological and geophysical surveys and diamond drilling. These programs were successful in locating and delineating an anomalous northwest-southeast trend with a strike length of over three kilometers.

To date, a total of 41 holes (8,102 m) were completed on the property, concentrating on the northwestern section of the anomalous trend. Geological reserves on the property are 220,000 tons grading 0.40 oz/ton, with an average width of 1.5 meters. Gold mineralization is spatially and probably genetically related to intrusive granitic porpyhry stocks and dykes near the contact between Hogem Batholith and Takla volcanics. Mineralization is in the form of veinlets and disseminations of quartz, native gold, pyrite, chalcopyrite, carbonates, sericite, chlorite and minor magnetite, galena, sphalerite and specular hematite. The mineralization is confined to subvertical zones marked by micro-shearing, intense fracturing, pyritization, carbonitization and silicification.

A program consisting of 4,500 meters of diamond drilling, VLF and induced polarization survey is recommended for the 1988 field season to further delineate mineralized zones and to continue testing anomalous geochemical and geophysical trend.


125° 30'
125° 00'
55° 45'
55° 30'
OMINECA
RANGE
OMINECA MOUNTAINS
TAKLA-RAINBOW
CLAIM GROUP
River
Teegee
Silver
Kelly
Alice
Kenny
Silver L.
Byrner L.
Fable L.
Tomi L.
MT GRANT
Tom
Cr.
Dream
Lyons Gulch
MT TOM
6075'
Creek
West Kwanika
Kwanika
KWANIKA RANGE
Tsayta
Lake
Nation
Halobia
Germansen Narrows
Twenty Mile
5803'
6621'
2506'
3000
3500
4000
4500
5000
PROJECT
LOCATION
PRINCE RUPERT
PRINCE GEORGE
VANCOUVER
VICTORIA
CATHEDRAL GOLD CORPORATION
TAKLA - RAINBOW
FIGURE 1
N.T.S. 93N
LOCATION MAP
Km 5
0
5
10 Km
SCALE: 1:250 000
DATE: DECEMBER 1986



CATHEDRAL GOLD CORPORATION

TAKLA - RAINBOW

FIGURE 2 N.T.S. 93N/11E & W

CLAIM MAP

Km 1 0 1 2 Km

SCALE: 1:50 000	GEOLOGIST: R. PESALJ
DATE: JANUARY 1987	DRAWN BY: S. HAWORTH

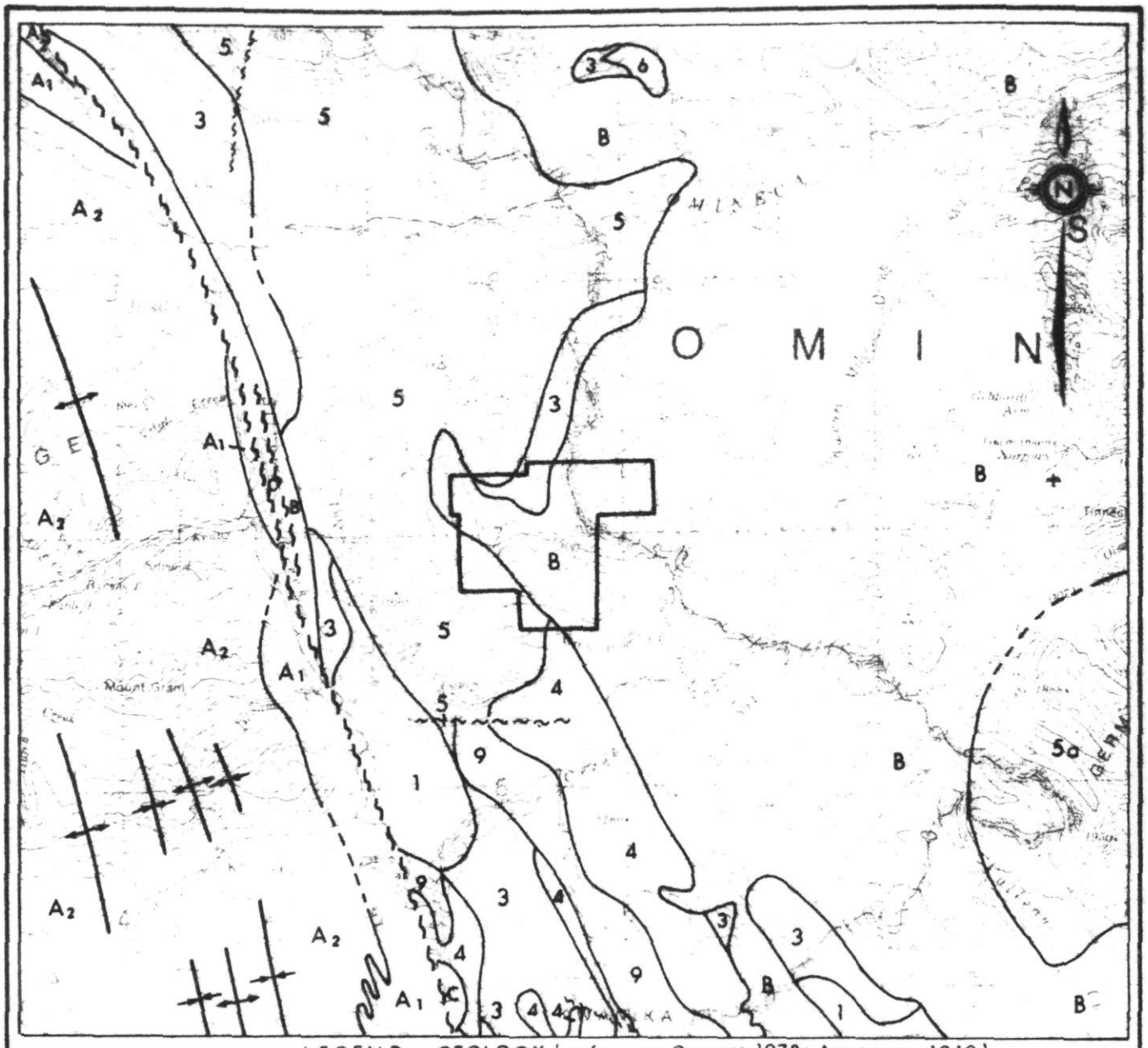
4.0 REGIONAL GEOLOGY

The general area of the Takla-Rainbow property is underlain by Lower to Middle Mesozoic volcanic and intrusive rocks of the Quesnel Trough, a graben lying between the Pinchi fault zone to the west and the Manson Fault zone to the east (Figure 3).

The area west of Pinchi Fault zone is underlain by Permian Cache Creek Group rocks, consisting of siliceous and argillaceous sediments with lesser amounts of massive limestone.

East of the Pinchi Fault are rocks of the Takla Group (units B, C) and Hogem Batholith (Units 1-9). The Takla Group is about 7500 m thick and consists of a conformable succession of Upper Triassic sediments and tuffs in the lower part and (Lower Jurrasic?) flows in the upper part. Unit B includes andesitic and basaltic flows, tuffs, breccias and agglomerates which are commonly cut by pyroxene and feldspar porphyry dykes. Lesser amounts of conglomerate, shale, greywacke and limestone also occur sporadically. Coal is reported (Armstrong 1949) to occur within the Takla Group at Discovery Creek about 23 km north-northeast of the Takla-Rainbow property. Unit C includes the Upper Triassic sediments - interbedded argillite, siltstone, shale, greywacke and tuff with local thick beds of conglomerate and limestone.

The Hogem Batholith has been divided into three phases of intrusive activity by Garnet (1978). Phase I is dated as Upper Triassic to Lower Jurassic and represents intrusive equivalents of the Takla volcanics. Phase II occured during the Lower to Middle Jurassic, while Phase III took place in the Upper Cretaceous. In the map area, Phase I is represented by units 1, 3, 4 and 5. Units 1, 3 and 4 are a mafic suite of rocks consisting of dark grey, medium to coarse grained diorite (Unit 1); plagioclase porphyritic pyroxene - biotite hornblende - biotite monzonite (Unit 4). Unit 1 commonly contains up to 5% magnetite and is thus strongly magnetic. Units 3 and 4 generally occur as gradational zones between the more mafic margins of the batholith and its granodioritic core. Unit 5 is the most widespread unit of the Hogem Batholith. It is actually a group of chemically similar, leucocratic, quartz-bearing felsic rocks. Granodiorite and quartz monzodiorite predominate but the composition ranges from tonalite to granite. The rocks are medium to coarse grained, locally porphyritic, and contain grey fine-grained xenoliths.



LEGEND - GEOLOGY (reference Garnett, 1978; Amstrong, 1949)

PHASE III

Lower Cretaceous

HOGEM BATHOLITH

[9] granite, quartz syenite, alaskite

PHASE II

Lower / Middle Jurassic

[6] mainly foliated, migmatitic syenite

PHASE I

Upper Triassic / Lower Jurassic

[5] granodiorite, quartz monzodiorite

5a: Germansen Batholith - granodiorite, quartz diorite.

[4] monzonite, quartz monzonite

[3] *monzodiorite, quartz monzodiorite*

[1] diorite; minor gabbro

TAKLA GROUP

[C] mainly interbedded black argillite, brown siltstone, and shale; minor limestone.

[B] mainly andesitic and basaltic volcanic flows, tuffs, breccias, and agglomerates.

Permian

CACHE CREEK GROUP

[A2] ribbon chert, argillaceous quartzite, argillite, slate, greenstone, limestone

[A1] massive limestone, dolomite; minor gabbro, serpentinite.

SYMBOLS

——— - - - Geological contact (approx., assumed)

~~~ Pinchi Fault Zone

~~~~ Fracture trace (inferred)

Syncline

Anticline

0 5 10 km

CATHEDRAL GOLD CORP.

REGIONAL GEOLOGY
TAKLA - RAINBOW PROPERTY
OMINECA MINING DIVISION

Project No:	V 258 d	By:	T. N.
Scale:	1 : 250 000	Drawn:	J. S.
Drawing No:	3	Date:	MAY 1987.

The Germansen Batholith (Unit 5a) is composed of granodiorite, quartz diorite and minor granite. It is of Jurassic to Cretaceous age.

Phase II rocks in the map area consist of a small outlier of Unit 6 foliated syenite. The main area of Phase II rocks lies to the north of the map in the Duckling Creek - Haha Creek area.

Phase III consists of Unit 9 granite and alaskite bodies intruding earlier intrusives as well as abundant alaskite and aplite dykes.

The Pinchi Fault zone is the most important structural feature in the region. The zone is locally up to 300 m wide and has at least two periods of movement.

Regional folding of the Cache Creek Group rocks is tight and trends in a northwesterly direction. Folding of the Takla Group is more open and trends west to northwest. The Takla rocks are less foliated than the older Cache Creek rocks.

Numerous mercury deposits and showings occur along the Pinchi fault zone. The largest, the Pinchi Lake Mine, located 130 km southeast of the Takla Rainbow property, produced over 1,800,000 kg of Hg from 1940 - 1944. Most of other mineral occurences in the area are porphyry copper $\pm$ molybdenum style showings in or near the Hogem Batholith. The twin showing located on the west side of the Twin claims is of the same type. Garnet (1978) states that porphyry Cu $\pm$ Mo mineralization in or near Hogem Batholith is associated mainly with Phase II and Phase III intrusions. Units 1 and 3 of Phase I have minor pyrite-chalcopyrite-magnetite mineralization, whereas metallic mineralization is essentially absent from Unit 5. The Lustdust massive sulphide deposit, located 12 km southwest of Takla-Rainbow property contains 327,226 tonnes grading 2.6 g/t An, 55 g/t Ag and 2.7% Zn.

5.0 HISTORY OF PREVIOUS EXPLORATION

The region was first worked for placer gold. The first placer gold was discovered on Vital Creek, 10 km northwest of the Takla-Rainbow property in 1869. From 1874 to 1945 total gold production from the Omineca Mining Division was 1,492,362 g Au, the bulk of which came from Germansen and Manson Rivers. Presently, placer gold is produced from Twin Creek, Silver Creek, Kenny Creek, 20 Mile Creek and Vital Creek.

The Takla-Rainbow property area was extensively explored for porphyry copper between 1969 and 1973 when the Lorraine deposit, located 25 km to the north was investigated. First reference to Twin claims is in the B.C.D.M. Assessment Report #2501 by W.R. Bacon for the N.B.C. Syndicate in 1970. Exploration during this period was conducted mainly along the south facing slope north of the present drilling on the TR West grid and included geochemical soil sampling and detail mapping. These surveys outlined a strong copper anomaly in soil trending south-easterly, parallel to the contact between the Hogem Batholith to the north and the Takla volcanics to the south. South of this anomaly, an apparently parallel zone of predominantly pyrite mineralization was recognized, but the copper values found in the soil did not justify further follow-up.

In 1971 Falconbridge Mines carried out more geochemical surveys, geophysics and drilling of anomalies and showings. The property was worked by Westrob Mines and Hudson Bay Mining in 1972 and 1973.

In July of 1981, the property was staked by Lorne Warren and Neal Scafe. Two samples from the trench on the property located approximately at 1+80E/1+15S on the TR West grid collected by the prospectors that returned 0.57 and 0.68 oz/ton Au, were first samples that indicated the presence of gold in the pyritic zone described earlier by W.R. Bacon. Examination of the property by Mattagami Lake Exploration, S..E.R.E.M. and Newmont followed, but apparently did not confirm the results obtained from the trench and the property remained idle until 1983. Amir Mines optioned the six Twin claims in 1983 and carried out two days of helicopter reconnaissance, prospecting and sampling in order to assess the gold potential of the various gossans in the area. A sample collected from the trench returned 0.015 oz/ton Au in a very pyritic, altered volcanic.

In 1983 Imperial Metals started a reconnaissance program along the Pinchi fault zone in an effort to evaluate the potential of the general area for lode gold mineralization. A reconnaissance stream traverse along the Twin Creek indicated anomalous samples not only in silts but also in soil samples collected along the banks. Takla and Rainbow claims were staked and in 1984 ground surveys, including detail soil coverage and mapping commenced. Ground surveys revealed anomalous gold and copper and located one mineralized outcrop with significant base and precious metal mineralization. Sampling of the trench on Twin claims returned 0.92 oz/ton Au in highly pyritic andesitic volcanic and the Twin claims were optioned in the spring of 1985. During the

delineated and traced over 700 meters along strike and TR South grid, where a strong geochemical soil anomaly and gold mineralization were discovered by detail work in 1986. Mapping was carried out in 1:5,000 scale over the central and northern section of the property and in 1:1,000 scale in the area of geochemical anomaly on the TRS grid. A total of 64 rock samples were collected by these surveys and analysed for 30 elements by the ICP method and gold by atomic absorption. Analytical work was performed by the Acme Analytical Lab in Vancouver. Figures 4, 5 and 22 represent geological maps and plans compiled as a result of drilling and surface mapping coverage during the last four field seasons. Results of analytical work on rock samples are presented in Appendix I of this report.

7.1 Lithology and Stratigraphy:

The outcrops on the Takla-Rainbow property are scarce and limited to tops of the hills or creek valleys. The area of recent drilling on the TR West grid lacks any rock exposures. On the TR south grid, outcrops are confined to the ridge that borders the grid on the west side.

7.1.1 Takla Volcanics:

Takla volcanics are the most common unit found in surface exposures and drill core on the property. Dominant volcanic rock is massive, fine grained or porphyritic andesite. Surface mapping of the property indicates that coarse porphyritic andesite dominates in the southern part of the property, whereas massive and fine grained porphyritic andesite underlies the central section. A distinctive sub-type of porphyritic andesite was mapped in the area north of Twin Creek. Other volcanic units encountered in the outcrops and drill core are basaltic flows and tuffs and coarse pyroclastics.

a) Andesite (Tacp, Tafp, Tasp)

The primary texture of massive andesite from drill core is often obscured by strong alteration, but it appears that it is made up of granular aggregate of subhedral to euhedral plagioclase of a grain size 0.1 - 0.4 mm. The blocky altered grains of plagioclase are cemented by a network matrix of intergranular fine grained chlorite. The plagioclase is strongly altered to fine grained sericite and lesser chlorite and carbonate and the original character of the grains is unclear. The rock is cut by veinlets of carbonate, which also occurs pervasively as

splashes and pockets throughout, though more abundant close to the veinlets. Epidote also occurs as disseminated constituent, but is mainly concentrated as localized, though rather diffuse vein-like zones of microbrecciation and alteration, particularly in the specimen from the TR West grid. Some epidote-rich zones contain abundant pyrite as clumps of euhedral-subhedral grains 0.05 - 0.5 mm in size. These often contain intergrown fine grained magnetite and traces of chalcopyrite. Some of the pyrite clusters have associated granular quartz and sparry carbonate. Carbonate veining seems to overlap the period of epidotization and sulphide introduction and some later carbonate veins clearly cross-cut the earlier alteration. Minor pockets of K-spar appear spatially related to some of the altered fracture zones and are presumably of introduced origin. The carbonate is mainly of dolomitic or ankeritic composition, but veinlets of calcite are also present.

Porphyritic andesite with abundant plagioclase and less commonly hornblende and augite phenocrysts is found throughout the property, coarse grained variety dominating in the southern part and finer grained in the central and northern sections. The coarse grained variety is characterized by phenocrysts or clasts to 2 cm across. The finer grained variety displays phenocrysts and volcanic clasts up to 0.2 cm across. An area north of Twin Creek is underlain by a distinctive porphyritic andesite which is characterized by prominent white plagioclase phenocrysts. Such phenocrysts give the rock a speckled appearance.

b) Basalt (Tb)

Rocks of basaltic composition are found throughout the property. Basalts seen in drill core are dark green, fine grained, massive or amygdaloidal flows, but in the outcrops they often represent bedded tuffaceous units. These flows and tuffs are generally thin, ranging from 1 to 5 meters, but drilling on the TR West grid indicates much thicker units. In the drill core these rocks are highly chloritic, and moderately to highly magnetic.

c) Rhyolite (Tr)

A small pyritic rhyolite unit mapped on the west side of the property is the only occurrence of felsic volcanics.

d) Pyroclastics (Tacp)

In addition to fine grained mafic tuffs that commonly occur within the Takla volcanics, coarse pyroclastics have been mapped and drilled on the TR South grid and southern section of the property. These units are green or maroon coloured and represented by lapilli tuff, agglomerate and volcanic breccia with clasts up to 0.5 m across. The clasts are usually angular and cemented by the same porphyritic andesite matrix as the massive volcanic units found in the southern section of the property.

The stratigraphic tops of Takla volcanics were determined from the amygdaloidal basaltic units drilled on the TR South grid. From drill core data the stratigraphic top of the volcanics in this locality is to the southwest. Dip and strike measurement during the course of surface mapping indicates the dips at 50° to 65° to the southwest, and 75° to 85° from the two areas of current drilling. The thin mafic tuffs are the only unit from which bedding of the volcanic pile can be determined, since most of units represent either thick volcanic flows or coarse pyroclastics.

7.1.2 Intrusives

The intrusive rocks mapped and drilled on the property belong to the eastern margin of the Hogen Batholith, which consists of a variety of intrusive types including: granite, granodiorite, monzonite, monzodiorite, quartz diorite, diorite and syenite. Within the property boundaries, most of the intrusive rock units can be interpreted as belonging to Phase I of the intrusive event (Garnett, 1984).

Dykes and small stocks of granitic and dioritic porphyries are probably related to the late phases of the intrusive event (Phase III).

a) Diorite (Di)

This unit belongs to more mafic Phase I of the Hogen Batholith. In hand specimen the rock is dark green, medium grained, equigranular and consists of equal parts of interlocking subhedral-euhedral plagioclase crystals 0.1-2.0 mm, with accessory K-spar in an interstitial mode. Quartz is either not present or represents very minor mineral constituent. The main mafic mineral is amphibole that forms abundant

subhedral grains 0.1-1.0 mm. It is often altered to various proportions of chlorite, secondary green biotite, carbonate and epidote. Mafic content of the rock is variable and locally the unit can contain up to 85% of amphibole and chlorite. The rock is cut by sparse hairline veinlets of epidote, chlorite and carbonate. The diorite phase of the batholith is host to porphyry copper type of mineralization found in the northwest section of the property. This unit corresponds to Unit 3 on the regional map.

b) Granite, Granodiorite (Gr, Gp, Gn, Gnp)

These leucocratic units occur in the northwest and southwest corners of the property and represent more felsic Phase I and Phase III rock units of the Hogem Batholith.

Granite (Gr) is found in the southwest corner of the map area. This rock is coarse grained, pink in colour and contains abundant large (2 cm) K-spar and quartz phenocrysts in addition to biotite and hornblende. The contact between this unit and Takla volcanics is not exposed, but can be traced between large outcrop areas along the ridge in the southern section of the property.

Porphyritic granite (Gp) is pinkish in colour, massive and contains abundant K-spar (1-2 cm) and lesser quartz phenocrysts to 1 cm across. The unit often contains small amounts (1-3%) of finely disseminated pyrite in a matrix of quartz-feldspar and biotite. Occasionally the unit is affected by carbonate-sericite alteration of various degrees. On the surface it occurs as dykes, sills and small stocks on the TR South Grid and along the Twin Creek. It was encountered by diamond drilling on both TR West and TR South grids. This unit can be interpreted as Phase III intrusive.

Granodiorite (Gn, Gnp) was mapped mostly in the northwestern corner of the map where it occurs in contact with the dioritic phase of the batholith. The unit is whitish or grey in colour and can be equigranular (Gn) or porphyritic (Gnp). Although compositionally similar, the porphyritic variety contains abundant large K-spar and often quartz phenocrysts to 1 cm across in a matrix of plagioclase, hornblende, biotite and lesser K-spar and quartz. In the drill core at TR West grid granodioritic and dioritic porphyries represent the main intrusive rock units.

At the south end of the property, dykes and sills of porphyritic granite intrude Takla volcanics along the northwesterly striking breaks that run parallel to the Pinchi Fault zone.

Northeasterly striking faults represent the second major fault system encountered in course of surface mapping.

The relative movements and timing of these two systems is not known, but could be contemporaneous. The information from surface mapping of the property and drill core data indicate the dips of Takla volcanics to be steep to the south, but proper determination is often difficult due to massive texture of volcanics. Thin basaltic bedded tuff units provide the best information on the attitude of the volcanic strata. Takla volcanics have west to northwest strike and a characteristic open folds. Foliation of the volcanic units is weak or completely absent.

7.3 Alteration

Hydrothermal alteration of various lithological members mapped and drilled on the property is often so strong that it obscures the original rock composition. Alteration types most commonly found include carbonization, sericitization, hematitization, chloritization, epidotization, silicification and kaolinization. Alteration products vary from one rock type to another and the amount of each alteration product depends on the degree of all alteration. From surface mapping and drill core logging observations, it is obvious that the intensity of alteration in various parts of the property increases with the proximity to faults, shear zones and younger granitic porphyritic dykes.

Carbonate -sericite alteration in volcanics and intrusives consists principally of pervasive sericitization and carbonitization of feldspar phenocrysts and groundmass plagioclase.

The second type of alteration is represented mainly by fracture controlled carbonitization and silicification and alteration of mafic minerals into chlorite, carbonate and epidote. The strongest alteration of this type is present in granite porphyry intrusives, but it can be observed in volcanics adjacent to dykes, particularly on the TR West grid drill core. The strongest alteration is found in DDH 11 and DDH 12, where also the widest zones of brecciation was intersected. The carbonate is mainly dolomitic, but

ocasionally it is ankeritic or calcitic in composition. This type of alteration can be seen in many prominent gossans found on the property. The rock is generally completely altered and characteristically very soft and highly weathered. Buff or grey quartz in most cases is the form of silica present in the affected rock unit, but jasper has also been observed in the TR South grid rocks and drill core.

7.4 Gold Mineralization

Gold mineralization on the property was first drilled in 1985 and drilling continues with encouraging results to the present.

The area of main drilling comprises a body of porphyritic granitic intrusive striking in NW-SE direction and confined to a contact between the Takla volcanics to the south and dioritic border phase of the Hogem Batholith to the north (Figure 22). The intrusive is leucocratic, quartz poor, porphyritic and contains two main lithologies recognized in drill core.

a) Granite Porphyry

Granite porphyry is pink, characterized by large (to 1 cm across) phenocrysts of plagioclase or K-spar with less than 5% quartz and pink, fine grained matrix consisting of equal amounts of K-spar, plagioclase and quartz. Compositionally the unit ranges from trachyte to granodiorite and could represent more than one phase. Some cross-cutting relationships seen in the core indicate that trachyte could be the youngest phase of the intrusive suite.

b) Diorite Porphyry

Diorite porphyry is grey or whitish, consists of plagioclase phenocrysts 0.2 - 0.5 mm in size in an evenly, white felsitic groundmass of grain size 0.01 - 0.05 mm with very little quartz and K-spar present. The rock seldom contains quartz phenocrysts.

Mineralized zone on the TR West grid is spatially and probably genetically related to the porphyritic intrusive event and late hydrothermal activity and

tectonic setting that resulted following the intrusion. The gold mineralization occurs within a strong pyritic halo measuring over 1,000 meters in length and 150 meters in width, as outlined by an induced polarization survey carried in 1985.

The most common type of mineralization encountered in drill holes is in the form of narrow quartz fillings along the fractures from few centimeters to several decimeters in width, or dissemination of sulphides and native gold in both porphyries and volcanics. Mineral association in the zone is represented by pyrite, chalcopyrite, quartz, native gold, carbonates, sericite, chlorite and minor pyrrhotite, magnetite, galena, sphalerite and specular hematite. The mineralization is confined to the zones marked by microshearing, intense fracturing, pyritization, carbonitization and silicification.

Gold is in the form of native gold, and gold-pyrite and gold-chalcopyrite associations are very common. At the present, it is not known if this is the only mode of gold occurence and more petrographic work is required to complete this investigation. In one specimen two grains of native gold were seen as grains of 25 and 50 microns associated with chalcopyrite inclusions in pyrite. Pyrite occurs in vein quartz, ankerite and sericite gangue as well as disseminations in altered wall rock.

The majority of intersections occur as subvertical, parallel structures within or adjacent to granite porphyry, suggesting that this phase of the intrusive is in direct relationship with gold mineralization. Some intersections on the TR West grid occur at considerable distance from the granite porphyry dykes and represent silicified zones within the Takla volcanics with silica and gold originating from the granite porphyry dykes.

8.0 GEOCHEMICAL SURVEY

Geochemical soil survey was carried out on the west side of the TR South grid by extending lines 5N, 4N, 3N, 2N, 1N, 0N and 1S to 8+00W, since the geochemical anomaly discovered in 1986 was still open to the south end. Several soil traverses were also made in conjunction with surface mapping and prospecting in the central and northern parts of the property. These traverses were made in the proximity of gossanized outcrops and talus. Soil samples were collected from the B2 soil horizon from a depth of 15-20 cm. In the absence of

TAKL' RAINBOW GOLD PROJECT

FAME 87

SUMMARY REPORT

INTRODUCTION

After three years of exploration by Imperial Metals Corporation, the Takla Rainbow property is at an advanced drilling stage. The main target is structurally controlled gold-copper-silver mineralization adjacent to the contact between the Hogem Batholith and the Takla volcanics. The results of exploration to date indicate excellent potential for 1,000,000 tons grading 0.50 oz/ton Au. Successful exploration on the property and development of a gold mine would revitalize mining interest in this area of British Colmbia.

LOCATION ACCESS

The property is located 48 km west of Manson Creek in the Omineca Mining Division of central British Columbia (55°39'N-125° 17'W, NTS 93N/11W). The access is presently from the Manson Creek - Takla Landing Road to within 10 km, and then by a helicopter. An access road (13 km) to the property is planned in 1987.

PROPERTY

The property consists of the Takla, Rainbow, TRA & TRL Claims comprising 159 units. Six single Twin claims are under option.

HISTORY

The region was extensively explored for the porphry copper mineralization between 1969 and 1973. First samples that indicated the presence of gold on the property were from the trench dug by two prospectors in 1981. In 1984 an Imperial Metals geologist, following encouraging results from the reconnaissance silt sampling during the previous season, traversed the property and took a trench sample which assayed 0.92 oz/ton Au. The Twin claims were optioned in 1985 and mapping, soil sampling, IP surveys and four short diamond drill holes were completed. The best intersection encountered was 0.53 oz/ton Au over 1.64 meters.

GEOLOGY

The property is situated within the Quesnel Trough of the N. Cordillera, approximately 10 km east of the Pinchi Fault, and straddling an intrusive contact between the Takla volcanics and Jurassic Hogem Batholith.

Gold-copper-silver mineralization is spatially and genetically related to alkalic intrusive porphyries and confined to the zone marked by a large pyritic halo. Gold mineralization is intimately associated with concentrations and disseminations of pyrite and chalcopyrite in, and adjacent to, quartz veinlets. Minor amounts of magnetite, galena and sphalerite occur locally. The mineralization is localized between three major parallel northwest striking sub-vertical faults and concentrated in the structures marked by microshearing, tension fracturing and hydrothermal alteration. Hydrothermal alteration, including sericitisation, carbonitization, silicification and epidotization, has affected both volcanics and intrusives. The mineralization has been tested over 700 meters apart of strike by shallow holes spaced 100 meters. The zone is open to the east.Further drill testing is required along strike and at depth. The results from 18 holes (2,060 m) completed on the property in 1985 and 1986 indicate excellent exploration potential for 1,000,000 tons grading 0.50 oz/ton Au.

Two km. southeast of the main area of interest, a second target area was delineated. Grab samples from the quartz-sulphide veins returned assays up to 1.83 oz/ton Au, 1.03 oz/ton Ag, 3.20% Pb and up to 1.37% Cu.

Geological setting of gold mineralization on the Takla Rainbow property does not have good analogy with other gold occurrences in the Northern Cordillera, but in many aspects resembles Archean gold deposits (Kirkland Lake-Larder Lake and Wawa, Ontario).

RECOMMENDED PROGRAM

The geochemical gold anomaly extends over 2 km, however only 30% of its strike length has been tested by drilling. An accelerated program consisting of 4,000 m of diamond drilling is recommended for the main zone. A 500 m drilling program in the new area southeast of the main zone is also justified.

Geological mapping, magnetometer and IP surveys over the anomalous trend prior to drilling should be carried out in an effort to locate and better define drill targets.

The recommended programs are scheduled for the period July 1 - August 31, 1987.

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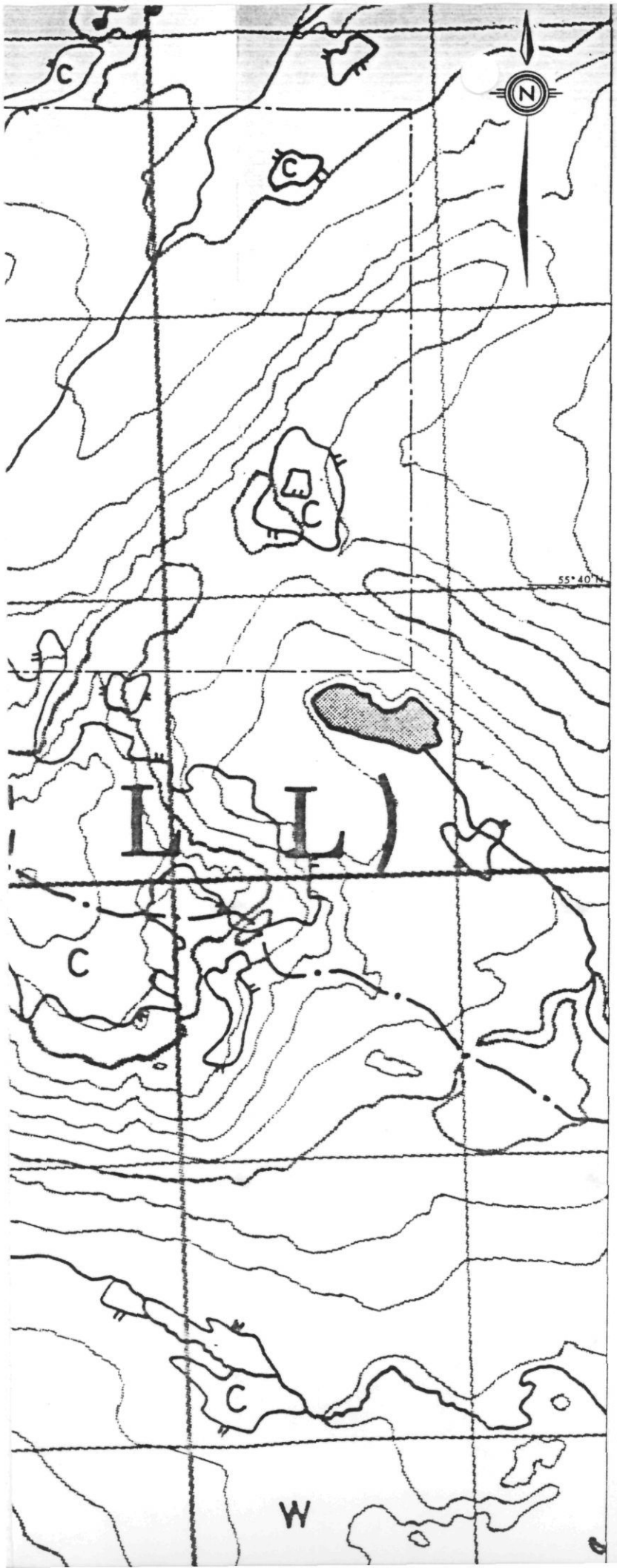
Streckeisen, A.; To Each Plutonic Rock its Proper Name. Earth Science Reviews, 12 (1976) 1-33.

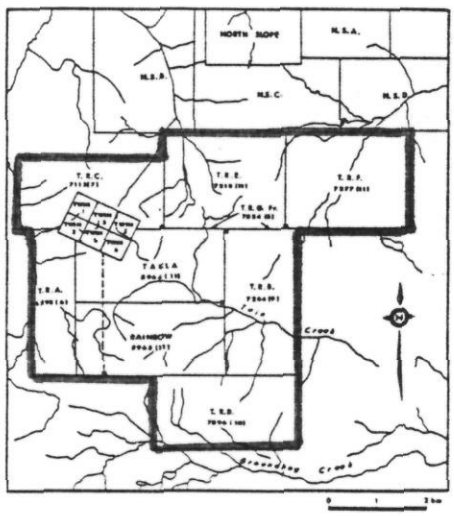
PROPOSED BUDGET
(Check which program being applied for)

☒ **Mineral Exploration Incentive Program** ☐ **Accelerated Mine Exploration Program**

		Total Eligible Expenses
1. Geological Surveys, Map & Report Preparation & Related Costs		$ 42,000
2. Geophysical Surveys (line-kilometres)		
Ground		
Magnetic 30 km	$ 1,700	
Electromagnetic	$	
Induced Polarization 10 km	$ 12,800	
Radiometric	$	
Seismic	$	
Other	$	
Airborne	$	
	$ 14,500	$ 14,500
3. Geochemical Surveys (no. of samples analysed for 2,300)		
Soil	$ 13,500	
Silt	$	
Rock	$ 17,500	
Other	$	
	$ 31,000	$ 31,000
4. Drilling		
Surface 4,500 m @ $ 89/m	= $ 400,500	
Underground m @ $	= $	
	$ 400,500	$ 400,500
5. Related Technical Studies		
Sampling/Assaying	$ 11,500	
Petrographic	$ 1,500	
Mineralogic	$	
Metallurgic	$ 10,000	
	$ 23,000	$ 23,000
6. Preparatory/Physical		
Line/Grid (kilometres)	$	
Trenching (linear metres) 50 m (hand)	$ 2,500	
	$ 2,500	$ 2,500
7. Tunnelling, Drifting, Other Lateral Excavation, Shaft Sinking, (25% of total expenses are eligible)		
m @ $ = $ × 25% =	$	
m @ $ = $ × 25% =	$	
	$	$
8. Other Exploration Costs (attach detailed schedules)		
Access road (13 km)	$ 78,000 not eligible	
Travel, shipping	$ 5,500	
Vehicle rentals	$ 3,000	
	$ 86,500	$ 86,500
Total Eligible Expenses		$ 531,500



LOCATION MAP

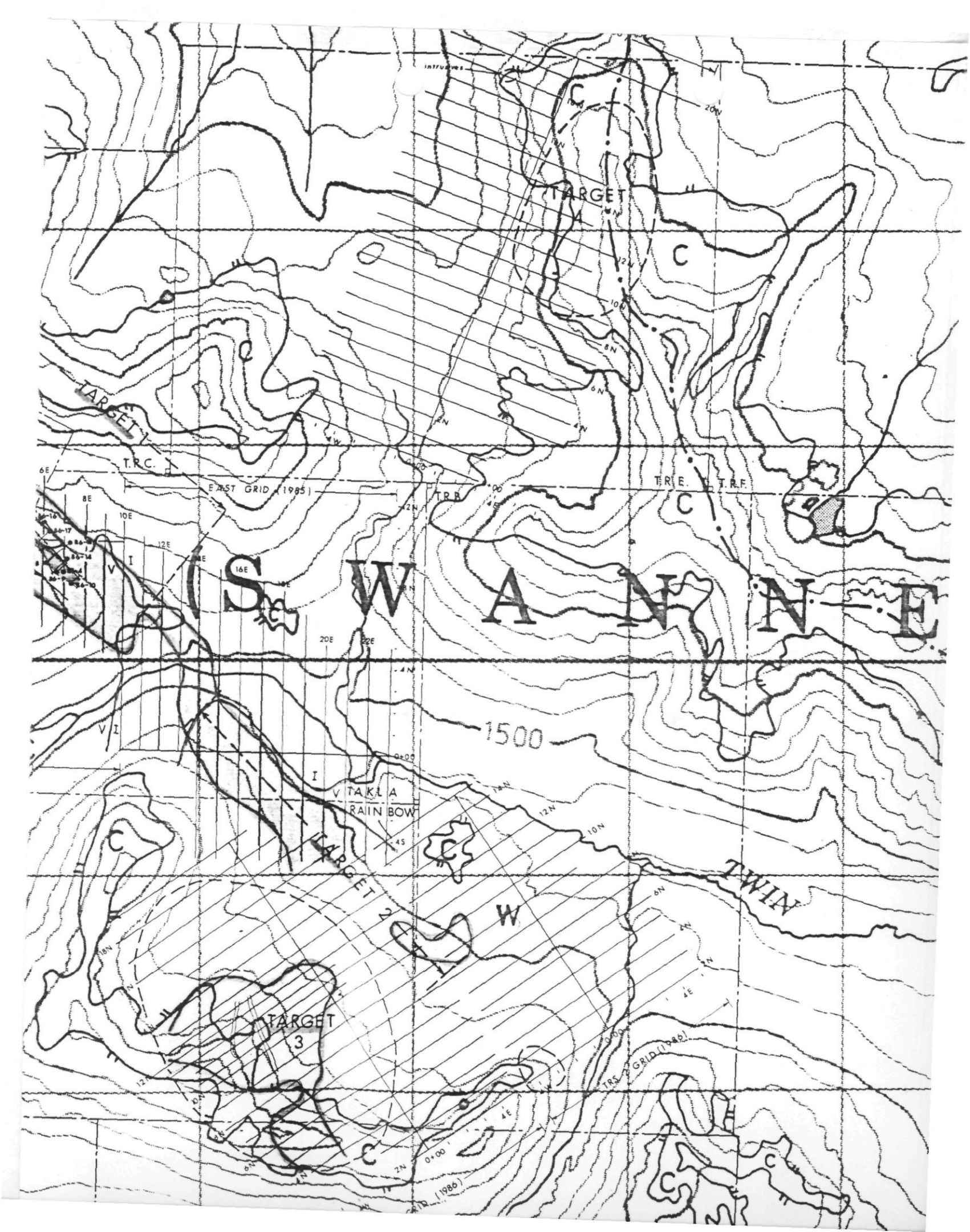


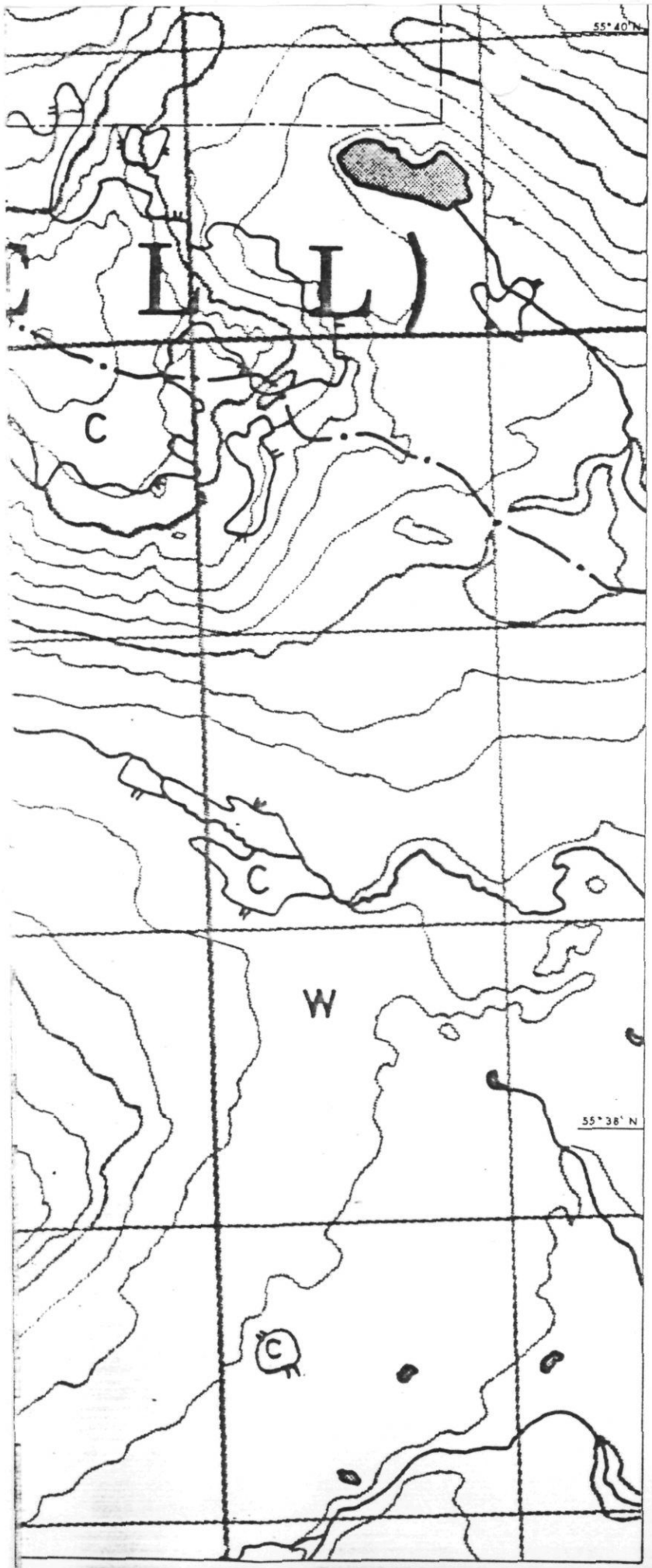
LEGEND

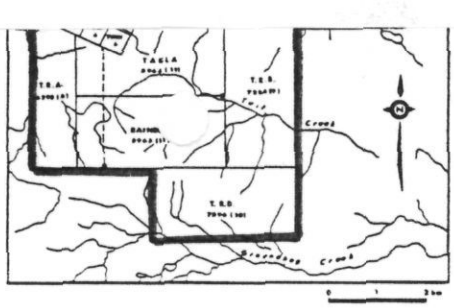
- Grid lines (I.P. surveyed lines highlighted)
- T.R.N. GRID (1986) — Grid name and year established
- 85-1 — Diamond drill hole location and number
- I / V — Geologic contact (approximate)
  V = Takla Group volcanics
  I = Hogem Batholith intrusives
- Zone of predominantly anomalous or elevated Au soil geochemistry
- Mineralized zone (Au-Ag-Cu) outlined by diamond drilling.
- Property boundary
- Claim boundaries within property, dashed where claims overlap.
- T.R.C. — LCP with claim name
- Area of scattered Takla Group andesite outcrops
- Granite porphyry dykes

Note: All locations of grids, claim boundaries, anomalies, drill holes are approximate.
Claim boundaries are as marked on government claim maps. Comparison with staking records indicates that there may be significant differences between plotted and actual LCP location.

Topographic contour interval 50 m.


TARGET 4
TARGET 1
T.R.C.
EAST GRID (1985)
T.R.B.
T.R.E.
T.R.F.
SWANNE
1500
TAKLA
RAIN BOW
TARGET 2
TWIN
TARGET 3
TRS GRID (1986)





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Topographic contour interval 50 m.

0 500 1000 metres

NTS 93 N/11

93N11W

CATHEDRAL GOLD CORP.

COMPILATION MAP

TAKLA - RAINBOW PROPERTY

OMINECA MINING DIVISION, 93/11W

Project No:	V 258 d	By:	T.N.
Scale:	1 : 50 000	Drawn:	J.S.
Drawing No:	5	Date:	MAY 1987.

MPH Consulting Limited