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Notes on the Snip Property, Cominco by W. J. McMillan.

1. Cordilleran Roundup

The property is situated on Johnny Mountain below the Reg claims.

Country rocks are Triassic-Jurassic metasediments.

Veins are banded with pyrite, calcite, biotite (often chloritized) and some quartz - a better descriptor would be 'zones' rather than veins.

Gold is medium to coarse grained; other minerals are arsenopyrite, sphalerite, galena, tetrahedrite, molybdenite, cosalite and tellurides.

The main 'vein' tested dips 50 degrees and is laterally persistent.

Reserves, based on 33 holes, are 1.1 million tonnes at 0.702 oz/T gold BUT the holes are 50 feet apart. Potential for much higher reserves is high.

2. From a visit to Cominco's office in March.

The property was staked by Bruce Mawer in the 60's to test porphyry potential of the Red Cliff Zone, which has quartz-sericite-pyrite and some copper mineralization (0.5 over 10's of feet). Locally gold runs 0.01 to 0.03 there. Ted Muraro discovered the new zone when crawling down the very steep slope after a missed helicopter pickup! I forget the rest.

At Skyline, heavy K-feldspar alteration is associated with gold mineralization in quartz pyrite veins; Snip is different. Quartz is not abundant and carbonate alteration with biotite hornfels is characteristic. The Snip zones appear to be altered and mineralized shear zones that cut regional layering.

Mineralized zones consists of sheared calcite, biotite (chloritized), pyrite and some pyrrhotite along with free gold. Gold is often at pyrite grain borders but is also scattered in the biotite hornfels and in calcite grains.

The zone strikes 120 degrees and dips about 50 degrees southward. It is 1 to 4 meters wide and laterally continuous. So far 1.1 million tonnes are blocked out, 1.6 are needed to make the property viable (this should not be a problem). The zone clearly cuts the lithology, which dips shallowly northward.

The zone has an incipient cleavage developed, massive pyrite grains can be 'rolled' and the borders of the zone are often foliated parallel to the zone. Two foliations are locally developed in the country rock (there may be more).

SNIP

The country rocks are felsic wackes; they vary from fine to pebbly.

Adjacent to the mineralized zones, the country rock is biotite hornfels with sporadic development of white K-feldspar alteration.

Pathfinders - As (600 ppm) and Hg - are low; copper averages 500 ppm, there is some zinc, and lead; they are testing for Se, Th, etc.

Locally, veins carry chalcopyrite and Bi Ag Pb Tellurides (overall Bi is low).

Gold/silver ratio is about 3/1. Gold values are only in the zone where it is narrow but significant peripheral widths (several meters) of 0.3 grade fringe the zone where it is wide and rich.

The footwall and hangingwall are similar; so far alteration is not a good guide to mineralization.

Metallurgical testing looks good so far (one test). The gold in the tested sample was free milling, although relatively fine (0.1mm?).

Abundant "active" carbonate in the zones and as tension gash fillings should neutralize any acidic waters produced during mining and milling.

Logistics can be summarized as follows:

Heavy supplies barges in via Wrangell.

The air strip is being enlarged to handle Hercules aircraft.

The adit is being collared in April(?); it will incline 1 1/2 degree upward to drain easily.

The collar will be at elevation 300 meters.

The deposit is on Mt. Snippaker, just below Skyline's Reg property on Johnny's Nose.

Power may come from Alaska.

Initially no road in to the property is planned.