

KATIE PROPERTY (Cu, Au, PGE's?)
Fact Sheet, August 2001

- Location** ● Seven kilometers southwest of Salmo, British Columbia, Canada. Reference NTS map 082F03W, MinFile 082FSW290.
- Access** ● Two kilometers south of Salmo on Highway 6, then six kilometers west via Hellroaring Creek logging road to near its headwaters.
- Land Package** ● Two contiguous Mineral Claims consisting of 40 Units (1,000ha) in the Nelson Mining Division.
- Ownership** ● John A. Chapman (50%) and KGE Management Ltd. (50%). Gerald G. Carlson is the President and major shareholder of KGE Management Ltd.
- Completed Exploration** ● In 1977 a government RGS survey indicated anomalous copper values in silts from Hellroaring Creek. Amoco Canada Petroleum Company Limited followed up with a geochemical survey in 1980 and identified a large (1 km by 0.5km) and intense (+100 ppm) copper-in-soils anomaly over what would become the Katie deposit. In 1985 prospector Ken Murray staked the copper-in-soils anomaly discovered by Amoco and conducted a successful geochemical survey for gold-in-soils, indicating partially coincident anomalous gold-in-soils values compared with Amoco's copper anomaly. In 1988 Balloil Lassiter Petroleum Limited optioned the property and conducted geological and geophysical surveys and a four-hole, 305 meter core drilling program in 1989. The best hole, KT-89-4 intersected 6 meters grading 0.24% copper and 0.2gpt gold. In 1990 Yellowjacket Resources Limited acquired Balloil's option interest in the property and formed a joint venture with Hemlo Gold Mines and Brenda Mines Limited. Over the next two years the joint venture conducted geological and geochemical surveys and drilled 34 core holes totaling 8,260 meters. Yellowjacket took over as Operator in 1992 and drilled 18 core holes totaling 4,477 meters. The drilling identified three zones of mineralization referred to as the Main, West and 17. The property lapsed and John Chapman acquired the property by staking in August 2001 with a view to examining the PGE potential in the mafic and ultramafic rocks in and adjacent to the Katie Alkaline porphyry deposit. No known PGE assays have been made on rocks from the deposit.
- Resources** ● No calculations have been conducted to define the copper-gold resource. George Cross News Letter, June 3, 1992 states, "Large Tonnage East Kootenay Copper-Gold Porphyry Being Expanded by Current Drilling...47 NQ core drilling holes have indicated a copper-gold shear related porphyry intrusive over a 1000 feet east-west, 150 feet north-south and minimum 600 feet of continuous depth...the potential of several 100,000,000's tons on the property is the outstanding feature learned during a recent project tour". Many of the core holes drilled by the various operators cut continuous +300 feet intervals grading about 0.2% copper and 0.01opt gold, which were reported in News Releases and in Assessment Reports. Enough core drill sampling and surface sampling has been generated to warrant the development of a block model and the calculation of resources.
- Area Production** ● The Katie deposit occurs in one of the most highly mineralized parts of British Columbia, between the mining towns of Salmo, Rossland and Nelson. The area immediately over and for a considerable distance surrounding the Katie is categorized by the Geological Survey of British Columbia as having the highest possible ranking for "Mineral Potential - Metals". Historical mines in the region include the LeRoi, Silver King, Jersey, Emerald, HB, Reeves MacDonald, Yankee-Dundee, Ymir, and many others. In Memoir 308, "Nelson Map-Area, West Half, British Columbia, 1959, the Author H.W. Little states, "...about one third of the properties in the province [British Columbia] that have produced metals are within the map-area.
- Geology** ● Host rocks for the deposit are mafic volcanic and intrusives of the Elise Formation belonging to the Lower Jurassic Rossland Group. The volcanics range in composition from andesite to basalt and include flows, flow breccias and tuffs, as well as syn-volcanic gabbro to monzonite dikes and sills. Mineralization occurs within a classical alkaline copper-gold porphyry-style system, with a potassic core surrounded by a broad propylitic zone. The pervasive potassic alteration includes K-feldspar, plagioclase, quartz, biotite and chlorite and corresponds to the elevated copper and gold values. Sulphide minerals include pyrite and chalcopyrite with minor pyrrhotite, sphalerite, tetrahedrite, bornite and molybdenite. The propylitic zone is characterized by epidote, chlorite, sericite and calcite with pyrite. Two major mineralized zones have been identified, characterized by copper values in excess of .2% and gold values in excess of .25 gm/tonne. The **Main Zone** is 70 to 135 m thick and at least 500 m long. The **17 Zone** is 90 m thick and at least 300 m long. Both zones are open along strike and at depth. A second, later style of mineralization cuts the Main Zone and consists of quartz-carbonate-sericite mylonites containing up to 30% sulphides, including pyrite, chalcopyrite, tetrahedrite, molybdenite and arsenopyrite. Gold grades range up to .5 gm/tonne with copper typically in the .1% to .2% range.
- Environment** ● The deposit is located between 1,200 meters and 1,700 meters elevation on the headwaters of Hellroaring Creek. The area is being actively logged. In the past 10 years approximately xx% of the claim area has been clear-cut.
- Potential** ● The Katie deposit and surrounding area has potential for discovery of further copper, gold and perhaps PGE's. Similar Alkaline copper-gold porphyries in BC such as the Copper Mtn., Afton and Mt. Polley mines contain PGE's. Also, PGE's have been reported as recovered from copper-gold ores at the Trail smelter in the period 1918 to 1930. The deposit setting lends it to development as a large low-grade open pit operation. Major highways, high capacity electric transmission lines and a high capacity natural gas pipeline are all located within xx kilometers of the deposit.
- Area Claims** ● Adjacent to the south boundary of the Katie property is a large group of claims formerly owned by Falconbridge Limited and now controlled by Doublestar Resources Ltd. (acquired all of Falconbridge's BC mineral properties).

Status

- The Eden claims that cover the Katie deposit are available for option. Contact John Chapman at 604-536-8356 (Email: jacms1@sprynet.com), or Gerald Carlson at 604-688-0833 (Email: gcarlson@copper-ridge.com).

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