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August 2, 1988.

To: Ron Smyth

MONTHLY REPORT - JULY , 1988

by

Tom Schroeter, Senior Regional Geologist

LOG NO: 88.08.10 U1

ACTION: vic

FILE NO:

## HIGHLIGHTS

- Property visits to: Mt. Milligan, Wolf, Snip, Waratah, Reg, McLymont, Galore Creek, Trophy, Tom MacKay, Kerr, Sulphurets, Goldwedge and Furry Creek (Britannia).
- Field visits to BCGS crews at Scud River (Logan/Brown) and Tom MacKay Lake (Alldrick).
- Editing of Minfile sheets, 104G and 104K
- Attended meeting on Placer in Victoria (7th)
- Visited and worked out of Smithers office (13-14th)
- Worked on SEG trip details with Panteleyev
- Worked on NWMA meeting (Spokane) details
- Conducted GAC-MDD business
- RGS Release (104B,F,G) - sold 40 copies.
- RGS Release (104K) - Sold 16 copies.
- Numerous office and telephone discussions (see attached)
- 60 persons signed in and out of library
- Farewell to Ann Ratel - a great loss.

## PROPERTY VISITS

Mt. MILLIGAN - Lincoln Resources (No. MI) - NTS 92N/1 Lat. 55°09'N Long. 124°04'W

On July 11th I visited the Mt. Milligan 'porphyry'-related Cu-Au prospect located approximately 95km north of Fort St. James. Bob Cann toured me around. Although the property is only about 12km east of the Ft. St. James -Manson Ck. road, road access apparently is not 'allowed' due to Wildlife Management boundaries. Access is gained via logging roads (Philips Main) for a distance of approximately 100km from Highway 97, at the turn off for the Cheni (Toodoggone) road. The project is a joint venture between BP and Lincoln Res. Geochemical, geophysical and geological surveys as well as trenching and diamond drilling in 1986

and 1987 identified 3 main zones of interest: Magnetite Breccia, Esker, and Creek. In 1988 Lincoln (as operator) will be completing a 8000 foot diamond drill (NQ-size) program, mainly on the Magnetite Breccia Zone. At the time of my visit they were about one quarter through the program.

The property represents a new discovery of a large Cu-Au porphyry-related (?) system (QR-type). The discoveries are in an area completely devoid of outcrop. Host rocks are Takla Group (Triassic) basaltic flows and pyroclastics which have been intruded by various intrusive varieties (alkalic to calc-alkalic) altering the host rocks to ksp, epidote, pyrite and magnetite. Two types of targets are being investigated:

1) Large low grade (eg. .3 to .6% Cu and 1 g/t Au (predom. disseminated (replacement?), minor fracture controlled; and 2) shear zone related quartz veins with grades to .25 opt Au.

The Magnetite Breccia Zone was identified by the presence of coincidental magnetic and IP anomalies. Although overburden varies up to 70m in depth, spot gold and copper soil geochemical anomalies were obtained. At the Zone a swarm of monzodiorite to latite dykes have intruded a sequence of typical Takla Group basaltic flows and pyroclastics. The volcanic units and the dykes have undergone strong potassium feldspar alteration. Although a magnetic breccia has been intersected in a few holes, the predominant mineralization consists of disseminated (replacement) chalcopryite and pyrite in altered basalt with anomalous amount of magnetite. DDH 87-12 returned an intersection of 31 metres grading 0.806 g/t Au and 0.30% Cu.

At the Esker Zone, propylitic altered (mainly epidote and pyrite) basaltic pyroclastics host a northeasterly-trending series of silicified auriferous-rich replacement bodies occupying parallel fault/share structures. The parallel auriferous zones have been traced along strike for 400m and to depths of 190m and occur across a 100m wide interval. Samples grading 99.0 g/t, 12.5 g/t and 26.3 g/t Au across 3.0m, 2.0m, and 3.0m, respectively have been received along the main structure.

The shears may be related to the intrusion of the northeasterly-trending group of diorite-monzodiorite-monzonite dykes exposed in drill holes. Semi-massive sulphide mineralization is characterized by granular (re-brecciated) pyrite and subordinate chalcopryite and minor arsenopyrite in a matrix of quartz, carbonate, and sericite. To date, grades of 2 to 6 g/t Au are indicated, including a 1.3m length grading 42.7 g/t Au and 7.3 g/t, Ag.

The Creek Zone is a similar situation as the Esker Zone. The Zone has been tested over a 200m strike length and over a 15m wide interval.

Elsewhere on the property, the North Slope area contains a crowded diorite porphyry with a quartz stockwork.

This property confirms the geological potential for QR-type and shear-related Cu-Au mineralization regionally (also - Tas, Indata, and Takla-Rainbow properties). Perhaps some age dating should be done from these areas.

#### WOLF - Lucero Res. (MI 93F-045)

July 12th I visited the Wolf epithermal gold prospect located 115km SSE of Burns Lake. Access is via logging roads approximately 200km S.W. of Vanderhoof. In a joint venture agreement with Lornex, who discovered the prospect in 1983, Lucero (under the direction of Jim Dawson) has identified five mineralized zones and several anomalous soil geochemical anomalies. Trench samples from the Ridge Zone