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93L

REPORT OF THE RICHARD MINERAL CLAIM

Omineca Mining Division

NTS 93L/2E

British Columbia

for

GILLIAN MINES LTD.

by

R. G. Potter, P.Eng.

July 2, 1976

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Property Map

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Goosley Lake area

1-00 INTRODUCTION

At the request of Mr. R. Hughes on behalf of Gillian Mines Ltd. the writer has studied available assessments reports pertaining to the subject property and the published government reports describing the geology and geochemistry of the Owen Lake - Goosly Lake area.

The purpose of this report is to evaluate the merits of the Richard property and to recommend possible further exploration work.

The writer has visited the property and verifies its position relative to reported geological and geochemical features of interest.

2-00 LOCATION AND ACCESS

The Richard claim block lies about 14 miles south of Houston, B. C. in the Omineca Mining Division (NTS 93L/2). Approximate geographical co-ordinates are: lat. 54°11'N, long. 126°39'W. This location is 8 miles north-east of the Bradina Owen Lake deposit and 14 miles west of the Kennco/Equity Sam Goosly deposit.

Access to the property is via the Buck Creek road south from Houston for 15 miles and hence by the Parrott Lakes road for another two miles. The Buck Creek road exits from Highway 16 about two miles west of Houston. The Parrott Lakes road passes through the centre of the subject property.

3-00 PROPERTY

The Richard claim comprises 20 units, four unit lengths north to south and five unit lengths east to west. The legal corner post bearing tag No. 01088 is situated at the north-west corner of the block. The ground as staked by J. Paul Stevenson on February 13 and 14, 1976.

The writer has visited the property and found it to be staked

in accordance with the modified grid system required by the British Columbia Mining Act.

4-00 HISTORY

The Richard claim covers part of the ground that was included in the WL, Jan, Grog and Goof claim block located in 1969 by Angus MacDonald. These claims were subsequently optioned by Orequest Exploration Syndicate (1969 to 1971) and later by Solomon Development Ltd. (1972).

Work conducted during this period is summarized as follows:

- 1969-Orequest: Soil sampling on north south lines spaced at 500 to 1800 feet.
- 1970-Orequest: Soil sampling, magnetometer and I.P. surveys. Geochemistry revealed a zinc anomaly in soils which was subsequently tested by three short percussion drill holes.
- 1971-Orequest: A new grid was cut having east-west lines spaced at 800 feet covering the central portion of the claim block. Soil sampling on this grid indicated that the greatest zinc anomaly occurs to the south-east of the area drilled.
- 1972-Solomon Development: Geological mapping and soil sampling on lines intermediate to those of the 1971 work.

5-00 GEOLOGY

5-10 Regional Geology

A report on the geology of the Owen Lake-Goosly Lake area was completed by B. N. Church of the B. C. Department of Mines in 1970. The

oldest rocks in the area are reported to be of early Mesozoic age. These include acid to intermediate lavas and pyroclastic rocks with minor argillite, sandstone and conglomerate. The early Mesozoic sequence is exposed through windows in an otherwise extensive covering of late Mesozoic and Tertiary extrusive rocks. Intrusive bodies: including granites, syenomonzonite-alkalic gabbros, biotite plagioclase porphyry- and biotite quartz porphyry; show an apparent concentration along a narrow belt joining the Owen Lake and Goosly Lake properties.

Data from the analysis of rock samples collected by Church during his mapping of the area have been presented in a series of contoured maps showing bedrock concentrations of copper, zinc, lead, silver, mercury and arsenic. Highly anomalous concentrations of all the elements considered are found in proximity to the Bradina and Goosly deposits. Other anomalous areas of interest correspond closely with terraine underlain by early Mesozoic volcanic rocks. These include the Gillian Mines property south of Goosly Lake and also the Richard property.

5-20 Economic Geology

To date two deposits of significant economic mineralization have been intensively explored in the area. The Owen Lake deposit of Bradina Resources consists of veins of pyrite, sphalerite, galena, chalcopryrite and tennantite which cut volcanics and microdiorite dykes. The Sam Goosly deposit consists of an extensive zone, comprising both massive and disseminated sulphides, which is essentially concordant with the enclosing sequence of lower Mesozoic volcanic rocks. The principal sulphide minerals are pyrite, chalcopryrite, pyrrhotite and minor tetrahedrite and sphalerite. Kennco geologists consider the mineralization to be generally related to the volcanic events which

produced the host rocks.

5-30 Local Geology

A detailed account of the geology of what is now the Richard claim is given by F. J. Guardia, P.Eng. in his report to Solomon Development Ltd. dated January 8, 1973. His description which is based on mapping and on petrographic work carried out by D. L. Cooke, P. Eng. is summarized as follows:

Hazelton strata (lower Mesozoic of Church) underlay much of the claim but are poorly exposed. The principal rock types found in the central part of the claim are crystal and lithic tuffs of dacitic composition. These are deep red in colour due to finely disseminated hematite. Soils overlying these rocks are also red in colour for the same reason and do not represent a gossan. Outcrops of massive poly-mictic conglomerate were mapped along the southern edge of the property. These are composed of 1mm to 6cm sub-angular clasts of purple and green volcanics.

Extensive outcrops along the western edge of the property are of massive, pink to grey, aphanitic rhyolite flows.

East of the road near the northern boundary of the claim two small weathered outcrops of syenite porphyry were noted on the northern flank of a small topographic high. This topographic feature may reflect the extent of the intrusive mass. The syenite shows moderate hydro-thermal alteration which includes sericite, kaolinite, and carbonate replacement of mafic minerals. Traces of pyrite and brown biotite were noted in thin section.

The area lying immediately east of the Richard claim is reportedly covered by Tertiary volcanics.

Limited structural data obtained from the mapping plus

evidence obtained from aerial photographs indicate that the Hazelton rocks have a gentle dip to the west.

6-00 GEOCHEMISTRY

Soils collected by Orequest were analyzed for copper, molybdenum, lead, silver and zinc. The results for the first four elements were rather indifferent although some "statistical" anomalies were outlined. The zinc content of the soils however, showed two strongly anomalous zones (+600 ppm). These were further defined and extended by Solomon Development in 1972. The anomalies are located in the south-central part of the claim. Both are of the order of 500 feet wide and 2500 feet long and extend in a north-westerly direction.

The three percussion holes drilled by Orequest were located well to the north of the main zinc anomalies. These did however cut some sections which are geochemically anomalous in zinc. These zones deepen to the west which suggests some stratigraphic control. The north-south configuration of the soil anomalies supports this suggestion and could be reflecting the subcrop edges of mineralized beds.

7-00 CONCLUSIONS

The Richard property is underlain by lower Mesozoic volcanic rocks which are known to host strata-controlled mineralization in the Goosly Lake area. Regional rock geochemistry shows the vicinity of the claims to be anomalous in zinc, copper, lead and arsenic. Exploration work carried out during the period 1969 to 1972 has outlined extensive zones of soils which are highly anomalous in zinc. These may be reflecting strata-controlled sulphide mineralization.

The Richard property is worthy of further exploration.

8-00 RECOMMENDATIONS

To further evaluate the property the following program is recommended:

Phase I:

1. Relocate the existing grid.
2. Limited soil geochemistry to verify the anomalies and establish their extent.
3. V.L.F. electromagnetic survey if applicable.
4. Trenching at the anomalous areas. A backhoe could be utilized here to limit damage and facilitate reclamation.

Phase II: Subject to the results of phase I.

1. Induced polarization survey.
2. Diamond drilling.

9-00 COST ESTIMATEPhase I:

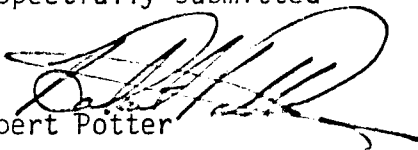
1. Establish camp, mobilization-demobilization	\$ 1,000.00
2. Re-establish grid and soil sampling - 200 samples	2,000.00
3. Electromagnetic survey - 20 line miles at \$100.00 per line mile	2,000.00
4. Trenching	3,000.00
5. Engineering and supervision	1,000.00
6. Camp supplies	1,000.00
7. Geochemical analysis - 200 samples at \$5.00 per sample	<u>1,000.00</u>
	11,000.00
Contingencies - 10%	<u>1,100.00</u>
TOTAL Phase I	<u>\$ 12,100.00</u>

Phase II

1. Induced polarization survey - 10 lines miles at \$500.00 per line mile	\$ 5,000.00
2. Diamond drilling - 1200 feet at \$25.00 per foot	30,000.00
3. Engineering and supervision	3,000.00
4. Camp supplies	2,000.00
5. Assays	<u>1,000.00</u>
	41,000.00
Contingencies - 10%	<u>4,100.00</u>
TOTAL Phase II	<u>\$ 45,100.00</u>

If the results of this program prove to be sufficiently encouraging additional diamond drilling will be required. Allow for 4000 feet of drilling at an overall cost of \$25.00 per foot or \$100,000.

Respectfully submitted


Robert Potter

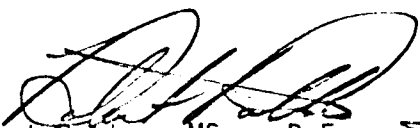
Fulford Harbour, B. C.

July 2, 1976

APPENDIX I
Certification

I, Robert Potter of Fulford Harbour, British Columbia do hereby certify that:

1. I am a graduate of the University of British Columbia, BAsC (1961) and McGill University, MSc Applied (1972).
2. Since graduation I have been engaged in mining exploration in Canada and Europe.
3. I am a registered member, in good standing, of the Association of Professional Engineers of British Columbia #7650.
4. I have not received nor do I expect to receive any interest, directly or indirectly, in the properties or securities of Gillian Mines Ltd. or in the subject property.
5. That the information contained in this report is based on personal knowledge of the geology of the Houston area, on a visit to the property, and on a study of available assessment reports and government reports.


Robert Potter, MSc., P.Eng.

Fulford Harbour, B. C.

July 2, 1976

APPENDIX II

References

- COCHRANE D. R. P. Eng 1970 Geochemical Report on the WL, Jan and
Grog Claims, Assessment Report #3136
- GUARDIA F. J. L. P.Eng. 1972 Report on Geology and Additional
Geochemical Sampling on the WL, Jan, Grog
and Goof Claims, Assessment Report #4190
- CHURCH B. N. 1970 Geology of the Owen Lake Parrott Lakes and
Goosly Lake Area, GEM pp. 119-125
- NEY, C. S. et al 1972 Geology of the Sam Goosly Deposit
C.I.M. Bulletin, July

BUCK CREEK ROAD
TO HOUSTON, B.C.
15 MILES APPROX.

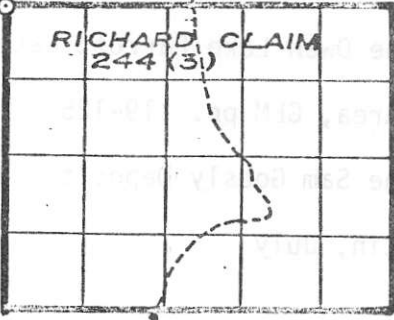
LOGGING RD.

BUCK CREEK



SCALE : 1 : 50000
or 1" = 4160' approx.

LCP 01088



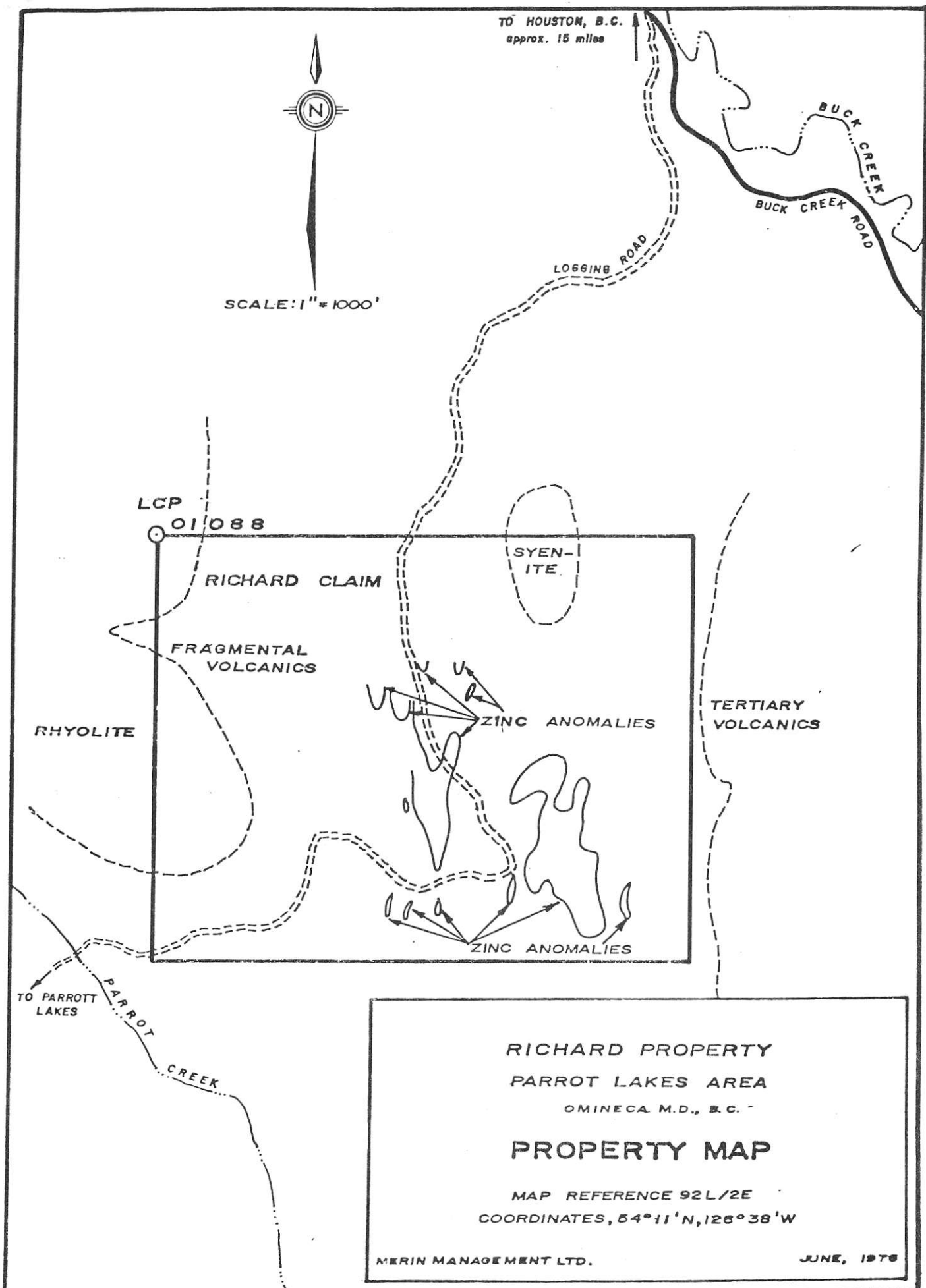
54° 11' N

PARROTT CREEK

126° 39' W



British Columbia
RICHARD PROPERTY
PARROT LAKES AREA
MINING DIVISION: OMENICA
PROPERTY LOCATION MAP
MAP REFERENCE: 93L/2E -
COORDINATES: 54° 11' N , 126° 39' W
MERIN MANAGEMENT LTD. JUNE 1976



TO HOUSTON, B.C.
approx. 15 miles



SCALE: 1" = 1000'

BUCK CREEK
BUCK CREEK ROAD

LOGGING ROAD

LCP
01088

RICHARD CLAIM

SYEN-
ITE

FRAGMENTAL
VOLCANICS

RHYOLITE

ZINC ANOMALIES

TERTIARY
VOLCANICS

ZINC ANOMALIES

TO PARROTT
LAKES

PARROTT
CREEK

RICHARD PROPERTY
PARROTT LAKES AREA
OMINECA M.D., B.C.

PROPERTY MAP

MAP REFERENCE 92L/2E
COORDINATES, 54°11'N, 126°38'W

MERIN MANAGEMENT LTD.

JUNE, 1976

(b) brought forward.. \$ 5,000

(5) Engineering and supervision:	\$1,000	
(6) Camp supplies:	\$1,000	
(7) Geochemical analysis - 200 samples at \$5.00 per sample:	\$1,000	

\$11,000

Contingencies - 10%	\$ 1,100	\$ 12,100
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(c) To be added to working capital and to meet corporate expenses, as well as to continue exploration and development work, to examine new prospects -		\$ 7,900
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VANCOUVER CURB EXCHANGE LISTING

TOTAL:	\$ 50,000
	=====

SAVE AND EXCEPT as amended hereby, the Statement of Material Facts of the Company dated 20 August 1976 remains in full force and effect.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by the Statement of Material Facts dated 20 August 1976, and this First Amendment.

DATED at Vancouver, British Columbia, this 10th day of September, A.D., 1976.

GILLIAN MINES LTD.

Per: *J. Paul Stevenson*
 J. PAUL STEVENSON

Per: *Richard W. Hughes*
 RICHARD W. HUGHES

Per: *Audrey C. Hamilton*
 AUDREY C. HAMILTON

Per: *D'Arcy J. Morrow*
 D'ARCY J. MORROW

