

826341

SHIMA RESOURCES LIMITED

TEXADA ISLAND, B.C.

NANAIMO MINING DIVISION

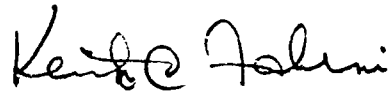
LATITUDE 49⁰ 43N, LONGITUDE 124⁰ 32W

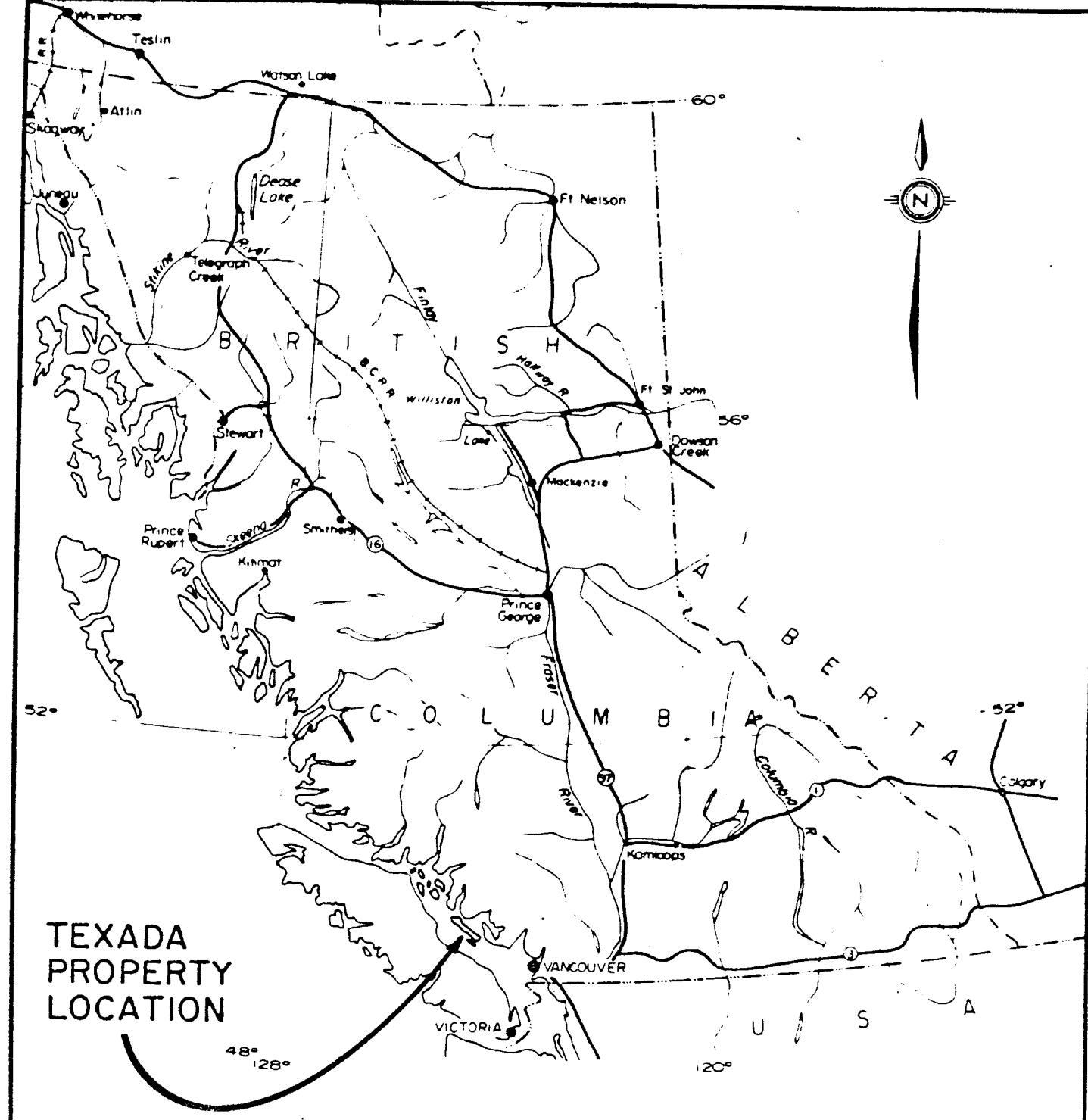
NTS BLOCK 92F - NE

A Report recommending further drill work
following upon work done during 1979 and
described in submissions dated February 14, 1980.

by

Keith C. Fahrni, P.Eng.
March 7, 1980.



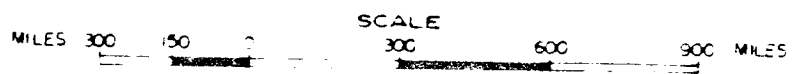


TEXADA
PROPERTY
LOCATION

LOCATION MAP

SHIMA RESOURCES LIMITED
2002 - 1177 West Hastings Street,
Vancouver, B.C. - V6E 2L6

TEXADA PROPERTY



SHIMA RESOURCES LIMITED
2002-1177 West Hastings Street
Vancouver, B.C. - V6E 2L6

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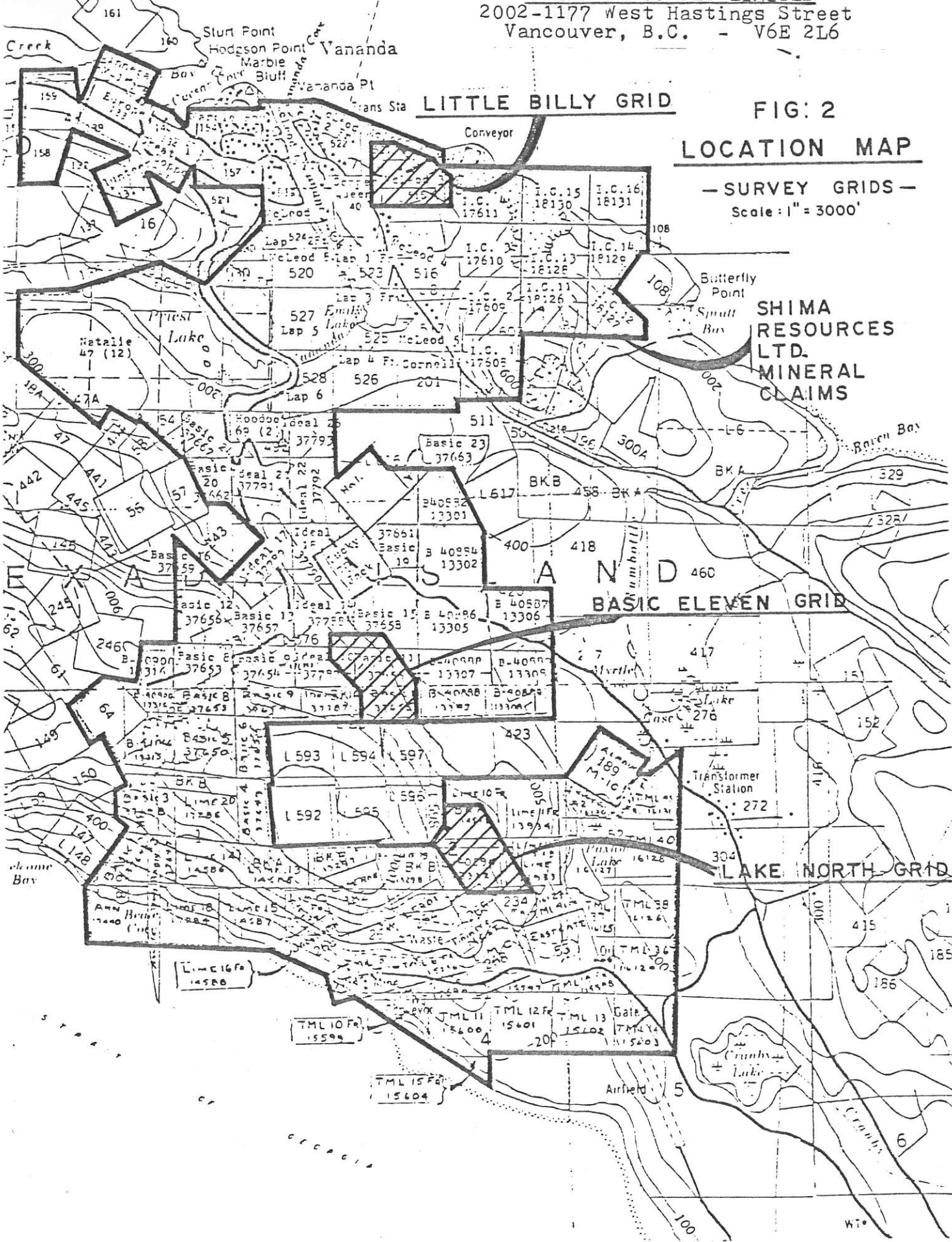


FIG: 2
LOCATION MAP

- SURVEY GRIDS -
Scale: 1" = 3000'

SHIMA
RESOURCES
LTD.
MINERAL
CLAIMS

BASIC ELEVEN GRID

LAKE NORTH GRID

LITTLE BILLY GRID

A PROPOSAL FOR FURTHER WORK

GEOLOGICAL SUMMARY

The block of mineral claims held by Shima Resources on Texada Island extends in a broad 1 to 2 kilometer wide belt for 6 kilometers across the island from the town of Vananda to the town of Gillies Bay. The principal ore producing properties of the district are included in the Shima holdings. The Marble Bay Mine, Copper Queen Mine, Cornell Mine and Little Billie Mine, which were copper and precious metal producers, lie at the northern end of the belt in the Vananda district and Texada Mines workings lie to the south near Gillies Bay with principal values having been in iron ore but with important copper and precious metals as well. A good number of lesser prospects with some mineralization lie scattered between.

The principal rock of the claim area is limestone which occurs as a north-south trending, open syncline on a floor of volcanic rocks. The synclinal structure plunges to the north at a gentle angle. It is terminated at each end, near the north and south shores of the island by masses of intrusive rocks of diorite or granodiorite composition. Many faults occur in the limestone some of which host dykes. Irregular patches of skarn minerals, epidote, garnet, biotite and others occur on the boundaries of the limestone with various intrusive rocks or with the volcanic floor of the syncline. Within the skarn bodies irregular masses of valuable minerals have been found at the various producers none of which are now operating.

In describing the Texada Mines properties, A.M. Walker summarizes the geology as follows:*

..."The orebodies consist of magnetite, chalcopyrite, pyrite, pyrrhotite, contained in an envelope of garnet-epidote-actinolite skarn. The skarn zone occurs along the contact of the dioritic Gillies Bay stock and also extends out along much of the contact between Marble Bay limestone and the older basalts of the Texada formation.

Eight major ore bodies have been outlined within an area of roughly 2,000 to 5,000 feet. All are extremely irregular in shape, varying from steeply dipping tabular or stock-like bodies to relatively thin flat-lying lenses. In every case ore continuity is disrupted by extensive faulting. The size of the ore bodies varies from one hundred thousand to almost three million long tons."....

*C.I.M. Bulletin, January 1974, "The transition to Trackless Mining at Texada"
A.M. Walker, Manager.

Development of the successful operation at Texada was based upon the high magnetite content of the skarn bodies near the Gillies Bay diorite stock. This permitted the use of magnetic instrument as an aid in exploring for ore. In the northern zone, near the Little Billie diorite, magnetite is much less prevalent. To date ore bodies have been found by exploration by shafts or tunnels in skarn bodies identified on the surface.

The Shima program has been based upon the indirect location of skarn bodies by means of the substantially higher specific gravity of the skarn minerals in contrast to the limestone or intrusive rocks. This gives a gravity anomaly. Three such anomalies have been defined by the geophysics program. The Little Billie anomaly which was tested by the drilling program of 1979 proved in fact to lie above skarn with some sulphide mineral content. Further detailing of this zone should be done by closely spaced surface drill holes. The other anomalies should be tested.

A structural feature of the Texada Mines skarn zones which has not been seen in the northern zone is the contact between the limestone and the underlying older volcanics. By projection from outcrop east of the Lafarge limestone pit it appears that this feature would lie about 230 meters below sea level in the Little Billie area. Our evidence to date from drilling is that the diorite contact with the limestone slopes at about 45 degrees to the south from the main contact following the shoreline road. This would displace the intersection of the contact with the volcanic floor where skarn pockets may occur to the south about 230 feet. A hole to test this possibility at depth where the Little Billie diorite dykes may act as a further localizing structure would be about 300 meters in depth. The location of this favorable point of intersection comes very close to the location selected by the geophysics program for drill hole No. 1. It is recommended that this hole be drilled to 300 meter depth and if skarn is identified that further test by drilling be made in an attempt to locate a major body of mineralized material in it.

The other two geophysical anomalies each have their own potential. The Basic II anomaly has no surface expression of either skarn or mineralization, lying as it does in a zone of swampy muskeg at the end of a small lake. Exploratory drilling is recommended to determine whether skarn might be present as recommended by Ager's Report of last year.

The Lake North anomaly lies on the extension of the Lake Ore Zone of Texada Mines beyond a good sized surface pit. Like the Basic II anomaly it occurred in an area of muskeg surrounded by limestone. Exploratory drilling is recommended here as well to determine whether skarn might be present as outlined in Ager's report.

DRILLING PROPOSALS

The work proposed at this stage is further diamond drilling. A cost for this work is based upon the recently completed program and is estimated at \$75.00 per meter. The work is proposed in three stages. All of Stage I should be drilled and continuation to Stage II and Stage III should depend upon some encouraging results in the Stage I program and further favourable results in Stage II.

STAGE I

A. Little Billie Anomaly

7 holes at 150 meters = 1,050 meters

1,050 m. @ \$75 per m. ----- \$78,750

B. Little Billie Area Deep hole to floor

1 hole at 300 meters

300 m. @ \$75 per m. ----- 22,500

C. Basic II Anomaly

2 holes at 125 meters = 250 meters

250 m. @ \$75 per m. ----- 18,750

D. Lake North Anomaly

2 holes at 125 meters = 250 meters

250 m. @ \$75 per m. ----- 18,750

ESTIMATED TOTAL FOR STAGE I \$138,750

STAGE II

A. Little Billie Anomaly (expanding grid)

8 drill holes at 150 meters = 1,200 meters

1,200 m. @ \$75 per m. ----- \$ 90,000

B. Deep Drilling (to bottom of limestone at granite contact)

2 drill holes at 325 meters = 650 meters

650 m. @ \$75 per m. ----- 48,750

C. Basic II Anomaly (from drill platforms on muskeg and
from shoreline sites)

6 holes at 125 meters = 750 meters

750 m. @ \$75 per m. ----- 56,250

ESTIMATED TOTAL FOR STAGE II \$195,000

STAGE III

A. Little Billie Anomaly

Preparatory surveys for planning underground work ----- \$ 15,000

B. Deep Drilling

2 drill holes at 350 meters = 700 meters

700 m. @ \$75 per m. ----- 52,500

C. Lake North Anomaly (from drill platforms on muskeg)

8 holes at 125 meters = 1,000 meters

1,000 m. @ \$75 per m. ----- 75,000

TOTAL ESTIMATED FOR STAGE III \$142,500

TOTAL WORK RECOMMENDED

Further work recommended above if fully successful would carry exploration of the property to a point where preparations can be made for underground development of ore zones indicated by drilling in the three stages on the three anomalies.

STAGE	I	\$318,750
STAGE	II	195,000
STAGE	III	<u>142,500</u>
TOTAL ESTIMATED COST		<u>\$476,250</u>

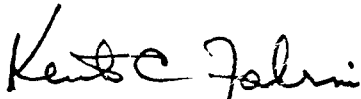
EQUIPMENT

The drill outfit which is at present on the island would be adequate to carry out the proposed work. Some addition to the equipment would be required.

TIMING

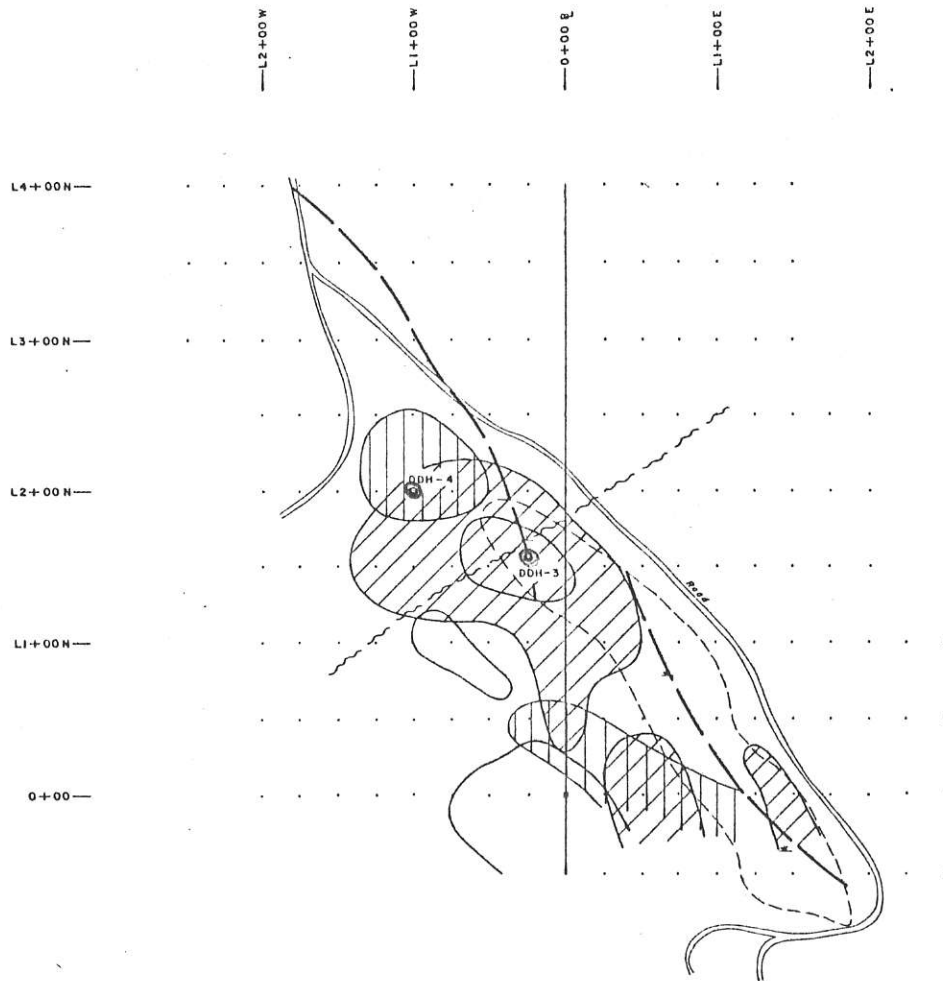
The 1,850 meters of drilling outlined in Stage I could be completed in about 1.5 months from the date of commencement.

Respectfully submitted,



KEITH C. FAHRNI, P.Eng.

KF:sh



- LEGEND**
- Magnetic Highs
 - I.P. PFE
 - Gravity Highs
 - VLF EM
 - Proposed Drill Hole
 - Interpreted Fault



N.T.S. 92 F/10E & 15E

SHIMA RESOURCES LTD.
 — BASIC ELEVEN AREA —
 NANAIMO MINING DIVISION — BRITISH COLUMBIA

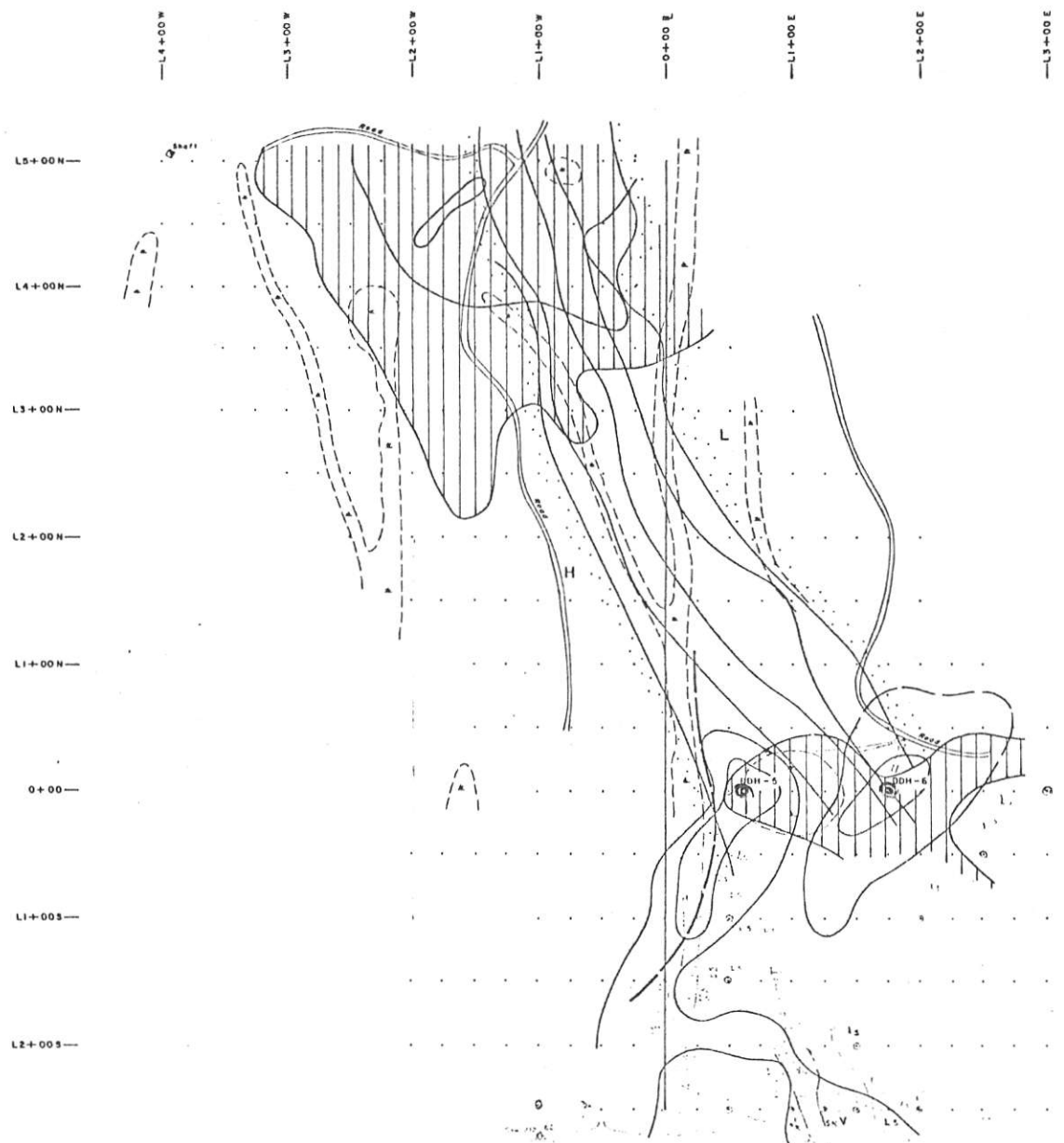
COMPOSITE MAP

TO ACCOMPANY REPORT TITLED:
 GRAVITY, I.P., MAGNETIC & EM SURVEY
 BASIC ELEVEN AREA
 BY: C.A. AGER PhD, PEng
 & M.G. BERRERA MSc
 DATED MAY, 1979 PROJECT SHIMA






C.A. AGER & ASSOC.
 SURREY B.C. CANADA

DWN BY: T.M.
 CHK BY:
 DATE: MAY, 1979

FIG. NO.
 10 b



LEGEND

-  Magnetic Gradient
-  IP PFE
-  Gravity Highs
-  VLF EM
-  Proposed Drill Hole



NTS. 92 F/10E & 15E
SHIMA RESOURCES LTD.
 — LAKE NORTH AREA —
 NANAIMO MINING DIVISION — BRITISH COLUMBIA

COMPOSITE MAP

TO ACCOMPANY REPORT TITLED:
 GRAVITY, IP, MAGNETIC & EM SURVEY
 LAKE NORTH AREA
 BY C. A. AGER PnD, PEng
 & M. G. BERRERA M.Sc.
 DATED MAY, 1979 PROJECT SHIMA

C.A. AGER & ASSOC. SURREY B.C. CANADA	OWN BY TM	FIG NO
	CHK BY	10c
	DATE MAY, 1979	