

K-SHELL - MT. BANNER
EAST 826A

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CONFIDENTIAL FILE

MOUNT BANNER EAST PROSPECT

GEOLOGICAL REPORT ON COAL LICENCES 277, 280, 281, 1299 and 1302

GROUP NO. 329

HELD BY: SHELL CANADA RESOURCES LIMITED

OPERATED BY: CROWS NEST RESOURCES LIMITED

KOOTENAY LAND DISTRICT
BRITISH COLUMBIA

OPEN FILE

FOR WORK DONE IN PERIOD

JULY, 1982 TO OCTOBER, 1982, INCLUSIVE

LATITUDE 50°01'30" WEST

LONGITUDE 114°45'30" WEST

MAP REFERENCE N.T.S. 82J/2

FEBRUARY 28, 1983

**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

CONSULTANT GEOLOGIST: J.K. STOBERNACK

CNRL GEOLOGIST: B. RYAN

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March 21, 1983

Ministry of Energy, Mines and Petroleum Resources
British Columbia

Dear Sirs:

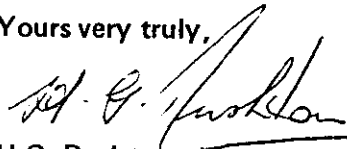
Enclosed please find our report on the Mount Banner Property. Consultant Dr. J.K. Stobernack was in charge of the field work and development of maps, sections and table of coal seam thicknesses for the Mt. Banner Licences. These Licences are held by Shell Canada Resources Limited and operated by Crows Nest Resources Limited.

Dr. Stobernack received his PhD from The Technical University of Clausthal-Zellerfeld in 1968 and since 1973 has been working in the coal industry in Canada.

Dr. Barry Ryan compiled this report, he received his PhD from the University of B.C., Vancouver in 1973. He has worked for a number of mining companies before accepting a post with CNRL in April 1981.

I consider Dr. Stobernack and Dr. Ryan to be well qualified to expedite the geological field work and report preparation involved in this project. I am satisfied that the attached report dated March 1983 has been competently prepared and contains all pertinent information.

Yours very truly,



H.G. Rushton
Vice President, Development

Enclosure

BDR/md

MOUNT BANNER EAST

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MOUNT BANNER EAST

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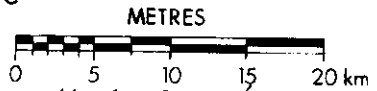
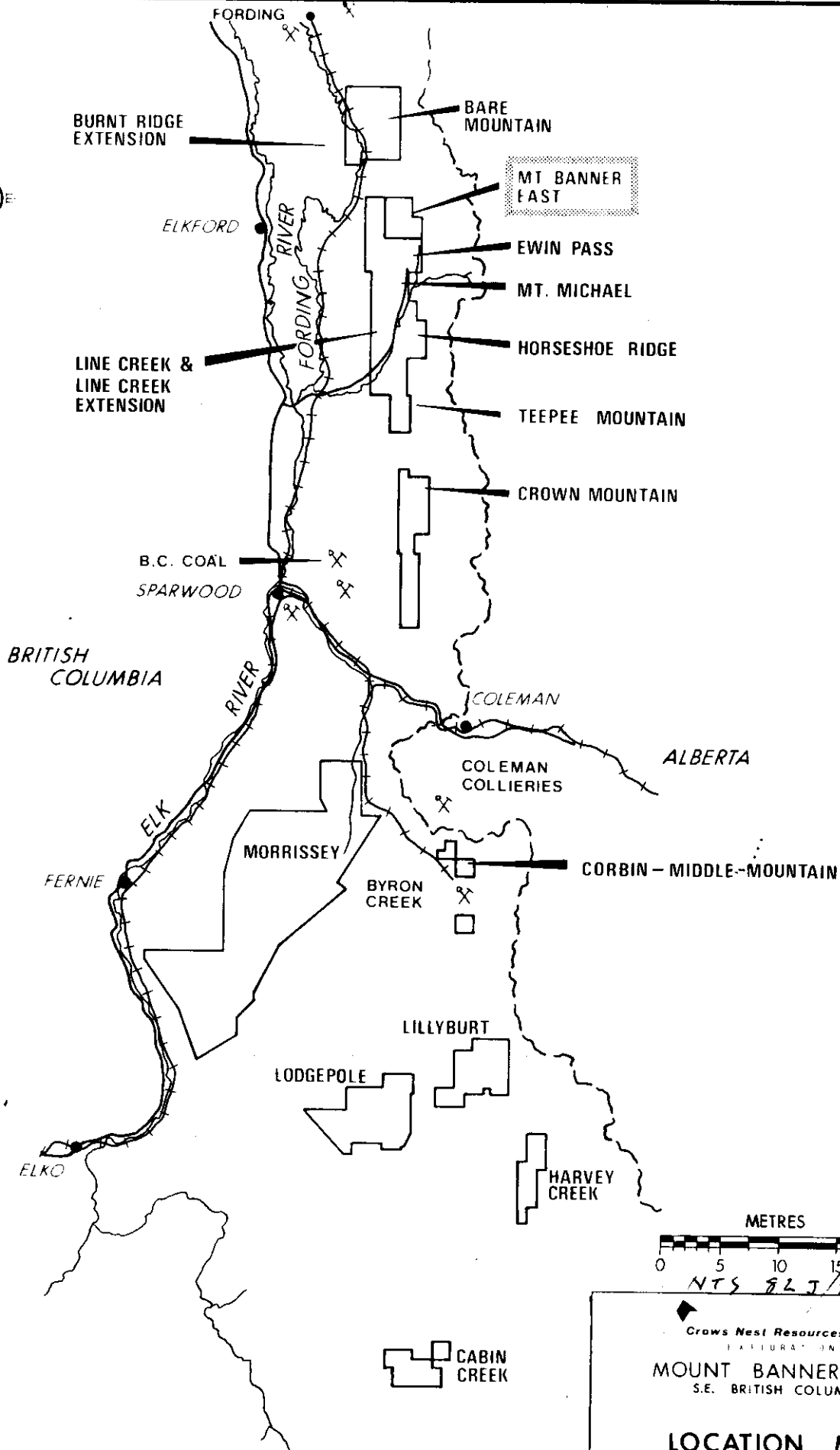
	<u>Enclosures</u>	<u>Scale</u>	<u>Filed Sequentially in back</u>
Enclosure 1	Index to Coal Licences and Access Map	1:50,000	
"	2 Geological Compilation Map	1:50,000	
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1.0 SUMMARY

The Mount Banner East Prospect is part of the Elk Valley Coalfield in the Rocky Mountains of Southeastern British Columbia. It is located at Latitude 50°01'30" North and Longitude 114°45'30" West 12 kilometres from the town of Elkford. The prospect is 2.5 kilometres from the nearest existing railway (FIGURE 1), on which it is approximately 1,180 kilometres to the Vancouver area coal ports.

The Mount Banner East Prospect is located in the northeastern corner of the Central Block, Group No. 329, B.C. Coal Licences held by Shell Canada Resources Limited, operated by its wholly-owned subsidiary, Crows Nest Resources Limited (Enclosure 1).

The coal bearing Jura-Cretaceous Kootenay Group crops out on the prospect where it is divided into 4 thrust blocks (Enclosure 2). The intervening 3 thrusts tend north south and dip to the west. They are named from west to east, Michael thrust, Ewin thrust and twin anticline thrust. The blocks are named from west to east, West Block; Michael-Banner Block; Ewin Pass-Banner Block and Ewin Pass-Banner East Block. Previous analyses (Table 1) reported by Sloan 1981 indicate that the coal is low to medium volatile bituminous in rank. In the 1981 report Sloan estimated a reserve of 8 million tonnes of low ratio open pit mineable coal on the east flank of Mount Banner.



NTS 82J/2

Crows Nest Resources Limited
EXPLORATION

MOUNT BANNER EAST
S.E. BRITISH COLUMBIA

LOCATION MAP

STOBERNACK AS SHOWN
FEB 1983

FIGURE 1
TOWN N AA-804

TABLE 1

COAL QUALITY (From Sloan 1981)

<u>Proximate Analyses</u>		<u>Raw Coal</u>	<u>Float at 1.6 SG</u>
Moisture	%	0.30 - 4.54	0.30 - 2.41
Ash	%	12.05 - 45.64	5.87 - 12.54
Volatile Matter	%		17.42 - 23.94
Fixed Carbon	%		58.30 - 71.85
FSI	-	0 - 8	0 - 8.50
Sulphur	%		0.32 - 0.90
Calorific Value	Kcal/Kg		7,533 - 8,124
Yield at 1.6 S.G.	%		34 - 86

2.0 INTRODUCTION

2.1 Coal Land Tenure

Five B.C. Coal Licences (No's: 277, 280, 281, 1299 and 1302) comprise Group No. 329 covering approximately 908 hectares in southeastern British Columbia's Kootenay Land District. These Licences are held by Shell Canada Resources Limited and operated by its' wholly-owned subsidiary, Crows Nest Resources Limited.

TABLE 2 is a summary of the coal land tenure standing. This report accounts for work performed in 1982 on Licences 277, 280, 281, 1299 and 1302, the Mount Banner East Prospect and adjacent Licences of the Ewin Pass Prospect.

**B.C. COAL LICENCES
TENURE STANDING**

PROJECT: MT. BANNER EAST

YEAR: 1981 - 82

DATE: MARCH 83

GROUP NO.	LICENCE			ACQ./ADM		RENTALS		ANNIVERSARY DATE	WORK REQUIREMENT				TOTAL EXPLORATION			REMARKS
	NO.	LEGAL DESCRIPTION	AREA TOTAL/HA	YEAR	FEES	ANNUAL	TOTAL NEXT ANN.		EXPIRED	CURRENT	LIC. TERM	EXC. CREDIT	YEAR	AMOUNT	CASH IN LIEU	
329	5	LICENCES	908		1,882,848	4540	30,060	JANUARY 31st	63,680	11,200		\$40/ACRES &	79 - 80	247,050	-	THE LICENCES
	277	LOT 6748	259	75							END OF 7	\$96.08/HA	80 - 81	41,845	-	ARE IN GOOD
	280	LOT 6751	259	75							END OF 7		81 - 82	-	-	STANDING UNTIL
	281	W½ LOT 6752	130	75							END OF 7					JAN 31st 1990
	1299	W½ LOT 6782	130	74							END OF 8					UNDER THE '74
	1302	E½ LOT 6752	130	74							END OF 8					COAL ACT AND
																JAN 31st 1991
																UNDER THE '78
																COAL ACT, WITH
																\$46.08/HA CREDIT
																FOR THE SUBSE-
																QUENT TERM.

TABLE 2

2.2 Location and Physiography

The prospect is located in the Rocky Mountains of southeastern British Columbia, in an area regionally known as the Upper Elk Valley. It is on the east side of the Fording River Valley, 12 kilometres by air from the town of Elkford. It is centered approximately on the intersection of Latitude 50°01'30" North and Longitude 114°45'30" West.

The prospect area is a ridge and east slope of the ridge which extend northeasterly from Mount Banner. It is bounded on the northeast by Ewin Creek and on the west by a small tributary of Ewin Creek.

The main ridge of Mount Banner East is rugged with a relief of up to 825 metres from the crest to the valley floor to the east. Average surface gradients range from 45% on the western slopes to 55% on the eastern slopes.

The prospect area is generally heavily forested, in sharp contrast to the more open west facing grassy slopes of Mt. Banner.

2.3 Access

Rail and road transport routes are located within 2.5 kilometres of the prospect. It is 11.4 kilometres by road to B.C. Coal Resources' Greenhills Plant construction site. The Canadian Pacific Railway Fording spur line roughly parallels a paved highway owned by Fording Coal Limited, which connects Elkford to the Fording mine site. Access to the base of the prospect from the Fording highway is by a gravel logging road which parallels the highway, then turns southeast up Ewin Creek. During 1980, Crows Nest Resources extended this road by 3.6 kilometres from its southern end, to wind northwest up Mount Banner East at an 8% grade (Sloan, 1981). It was a four-wheel drive road, but the lower portion has since been reclaimed by recontouring.

3.0 WORK DONE

3.1 Summary of Previous Work

A report filed by Crows Nest Resources Limited in 1979 entitled North Central Block Project (Group No. 266 was a part of Shell-CNRL's Central Block of B.c. Coal Licences) (Fisher 1979) accounts for the initial reconnaissance mapping.

A report filed by Crows Nest Resources Limited in 1981 entitled Mount Banner East Prospect (Sloan 1981) describes follow-up mapping; hand trenching, sampling and analysis of the coal occurrences: construction of 3.6 kilometres of exploration road and 127 metres of backhoe trenching of coal occurrences along the road. A single vertical diamond core hole was drilled to 319 metres. The core was described and the hole geophysically logged.

TABLE 1 provides the results of proximate analyses of core samples from Mount Banner East. The coal is low to medium volatile bituminous by rank, according to A.S.T.M. standards.

In 1981 Crows Nest Resources personnel undertook a small program of surface mapping and hand tranching (4 trenches) (Ryan 1982). The results were recorded on a 1 to 5000 geological map.

3.2 Objectives of the 1982 Program

Previous mapping on Mt. Banner East has revealed a complex structure. The objective of the 1982 program was to produce a comprehensive geological map at a scale of 1 to 5000 and an accompanying structural interpretation.

3.3 Work Done in 1982

Five Licences were mapped on a scale of 1 to 5000 using orthophotos and 5m contour 1 to 5000 topographic maps. The mapping was supported by helicopter. During the mapping emphasis was put on established the overall geological structure by following the cliff-forming sandstones within the Mist Mountain Formation and the massive Elk sandstone at the Elk Formation Mist Mountain Formation contact. These sandstones can be traced over long distances.

Sixty-eight hand trenches were dug during the mapping; after study the trenches were refilled to minimize surface disturbance.

The mapping is presented on two 1 to 5000 sheets (enclosures 3, 4) and 3 sections (enclosures 5, 6, 7). Trench locations are indicated on the maps and the associated coal thickness measurements tabulated in Table 3. Average seam thicknesses are given in Table 4.

3.4 1982 Exploration Expenditure

The total cost of the program was \$63,000.04. The part of the cost attributed to the Mt. Banner East Licences was \$45,374. This is the amount recorded on the application to extend term of Licence form (Table 4).

Table 3

Description of 1982 Hand Trenches

Page 1 of 12

C.L.	* LOCATION	TRENCH <i>elev.</i>	PLUNGE	LENGTH (M)	BEDS		TRUE THICKNESS OF LITHOLOGIES (M) STARTING AT HANGING WALL	DESCRIPTION	Seam	TOTAL TRUE THICKNESS (M)
					STRIKE	DIP				
280	1 660395 E 5542660 N	264 2415 m	0	3.24	008 008 008	75 75 75	1.43 0.3 1.3	Coal Fine grained sandstone Coal	2	3.03
280	2 660365 E 5542680 N	281 2400 m	18	14.45	336 194	50 32		Coal, east side of anticline Coal, west side of anticline	3	
280	3 660335 E 5542685 N	267 2390 m	0	0.75	180	43	0.51	Coal	2	0.51
280	4 660320 E 5542675 N	264 2390 m	0	3.94	184	43	2.67	Coal	2	2.67
283	5 659840 E 5542420 N	292 2315 m	-19	1.96	40	4.27	0.19 0.75 0.76 0.43 1.52	Coal Carbonaceous mudstone Coal Carbonaceous mudstone Coal	L	3.65
283	6 659850 E 5542410 N	256 2315 m	8	3.14	184	53	0.2 0.1 0.39 0.16 0.25 0.39 0.61	Coal Carbonaceous mudstone Coal Mudstone Coal Mudstone Coal	L	2.10
283	7 659765 E 5542310 N	277 2315	-6	2.82	207	40	0.52 0.28 0.46 0.46 0.2	Coal Carbonaceous mudstone Coal Slightly carbonaceous mudstone Coal	K	1.92

* Indicates true thickness measured directly in trench

** Corresponds with location number on maps (Enclosures 3 and 4).

Description of Trenches

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LOCATION	TRENCH <i>elev.</i>	PLUNGE	LENGTH (M)	BEDS		TRUE THICKNESS OF LITHOLOGIES (M) STARTING AT HANGING WALL	DESCRIPTION	TOTAL TRUE THICKNESS (M)
				STRIKE	DIP			
8 659510 E 5544600 N	258 2195	-21	1.58	173	51	0.9 0.12 0.48	Coal Mudstone Coal	1.5
9 659515 E 5544600 N	273 2190	-39	1.28	173	51	1.27	Coal	1.27
10 659525 E 5544610 N	275 2185	-31	5.33	173	51	0.59 0.18 1.16 0.2 3.07	Coal Carbonaceous mudstone Coal Mudstone Coal	5.20
11 659540 E 5544605 N	303 2180	-37	1.15	173	51	0.98	Coal	0.98
12 659595 E 5544820 N	303 2135	-34	1.11	183	56		Coal	
13 659610 E 5544815 N	313 2150	-42	5.88	183	56	2.04 0.25 4.5 0.08 2.16	Coal Shale/mudstone Coal Fine grained sandstone Coal	4.98
14 659635 E 5544815 N	312 2115	-36	1.5	183	56	1.27	Coal	1.27
15 659680 E 5544830 N	305 2115	-35	1.19	183	56	1.07	Coal	1.07

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Description of Trenches

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LOCATION	TRENCH	PLUNGE	LENGTH (M)	BEDS		TRUE THICKNESS OF LITHOLOGIES (M) STARTING AT HANGING WALL	DESCRIPTION	TOTAL TRUE THICKNESS (M)	
				STRIKE	DIP				
16 659680 E 5544805 N	316 2075	-35	39.66	183	56	1.54 1.54 4.81 3.29 1.77 0.85 1.11 0.41 3.31 1.13 0.51 0.1 0.66 0.21 4.12 0.32 2.48 1.7 0.41 0.78 1.37	Coal Mudstone Coal Mudstone Coal Mudstone Coal Carbonaceous Mudstone Coal Mudstone Coal Mudstone Coal Mudstone Coal Carbonaceous Mudstone Coal Carbonaceous Mudstone Coal Mudstone Coal	SEAM K	32.42
17 659740 E 5544790 N	317 2040	-37	14.6	178	52	0.96 0.17 3.42 0.13 0.99 0.16 0.24 2.94 2.43	Coal Mudstone Coal Mudstone Coal Fine grained Sandstone Coal Slightly carbonaceous Mudstone Coal	L	11.44

Description of Trenches

COAL
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LOCATION	TRENCH	PLUNGE	LENGTH (M)	BEDS		TRUE THICKNESS OF LITHOLOGIES (M) STARTING AT HANGING WALL	DESCRIPTION	TOTAL TRUE THICKNESS (M)
				STRIKE	DIP			
18* 659710 E 5545230 N	2000		19.65	181	44	0.63 0.13 2.94 1.43 4.95 1.17 7.53	Coal Mudstone Coal Mudstone Coal Mudstone Coal	18.78
19 659815 5543810 N	286 2445	-28	1.53	225	39	1.3	Coal	1.3
20 659820 E 5543800 N	259 2430	-30	2.68	225	39	0.76 0.04 1.06	Coal Carbonaceous Mudstone Coal	1.86
21 659835 E 5543800 N	2425						No coal intersected	
22 659840 E 5543790 N	259 2420	-4	2.56	186	34	0.25 0.09 0.31 0.25 0.61	Coal Mudstone Coal Carbonaceous Mudstone Coal	1.51
23 659865 E 5543775 N	280 2410	-20	4.31	183	53	1.27 0.68 0.22 1.06 2.79	Coal Mudstone Coal Mudstone Coal, foot wall not exposed	6.02
24 659885 E 5543765 N	280 2395	-15	3.16	180	47	2.76	Coal	2.76

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Description of Trenches

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COAL LICENCE	LOCATION	TRENCH	PLUNGE	LENGTH (M)	BEDS		TRUE THICKNESS OF LITHOLOGIES (M) STARTING AT HANGING WALL	DESCRIPTION	TOTAL TRUE THICKNESS (M)
					STRIKE	DIP			
280	659840 E 25	254 2390	-11	1.1	180	47	0.91	Coal SEAM	0.91
280	659905 E 26	274 2380	-4	5.51	175	50	1.93 0.29 2.19	Coal Mudstone Coal F	4.41
280	659915 E 27	263 2385	-10	2.35	174	60	2.21	Coal G	2.21
280	659920 E 28	266 2375	-21	1.77	174	60	1.75	Coal H	1.75
280	659940 E 29	264 2370	-22	2.0	112	35	0.67 0.1 0.34	Coal Mudstone Coal J	1.11
280	659750 E 30	315 2265	0	15.97	192	36	0.94 0.06 3.20 0.09 3.24 0.13 0.21	Coal Mudstone Coal Clay Ironstone Coal Silty Sandstone Coal K	7.87
279	659505 E 31	284 2115	29	6.2	168	56	0.24 0.08 2.04 0.07 0.25	Coal Mudstone Coal Carbonaceous Mudstone Coal L	2.68
280	659740 E 32	315 2370	0	8.25	192	36	4.07	Coal H+J	4.07

Description of Trenches

COAL LICENCE

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LOCATION	TRENCH	PLUNGE	LENGTH (M)	BEDS		TRUE THICKNESS OF LITHOLOGIES (M) STARTING AT HANGING WALL	DESCRIPTION	TOTAL TRUE THICKNESS (M)
				STRIKE	DIP			
33 659760 E 5543650 N	310 2345	-12	6.37	202	43	3.75 0.76 0.5	Coal Carbonaceous Mudstone Coal	5.01
34 659745 E 5543675 N	300 2350	0	6.05	172	40	3.07	Coal	3.07
35 659735 E 5543685 N	306 2395	0	1.25	172	40	0.58	Coal	0.58
36 659240 E 5543335 N	232 2265	0	2.37	149	42	1.57	Coal	1.57
37 659225 E 5543605 N	240 2340	17	3.74	155	65	1.95 0.61 0.21	Coal Mudstone Coal	2.77
38 659150 E 5543260 N	284 2165	-34	5.85	192	25	5.01	Coal	5.01
39 659225 E 5542050 N	2165						No Coal	
40* 659210 E 5542045 N	2165		1.7	163	53	1.34	Coal	1.34
41 659225 E 5542130 N	243 2195	0	1.84	163	53	1.45	Coal	1.45
42 660225 E 5642520 N	235 2350	-27	1.24	203	30	0.78	Coal	0.78
43 659150 E 5543665 N	221 2325	25	9.96	154	38	0.32 0.17 0.68 0.10 0.12 0.17 0.23	Coal Siltstone Coal Carbonaceous Mudstone Coal Silty Mudstone Coal	1.79

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Description of Trenches

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LOCATION	TRENCH <i>elev m.</i>	PLUNGE	LENGTH (M)	BEDS		TRUE THICKNESS OF LITHOLOGIES (M) STARTING AT HANGING WALL	DESCRIPTION	TOTAL TRUE THICKNESS (M)
				STRIKE	DIP			
44 659163 E 5543555 N	210 <i>2265</i>	17	5.59	154	38	1.09 0.06 0.29	Coal Mudstone Coal <i>SEAM I</i>	1.44
45 659230 E 5543380 N	319 <i>2215</i>	0	4.7	212	59	1.15 0.57 2.13	Coal Siltstone Coal <i>L</i>	3.85
46 659240 E 5543335 N	319 <i>2215</i>	0	1.26	212	59	0.66 0.10 0.27	Coal Mudstone Coal <i>L</i>	1.03
47 659125 E 5542780 N	213 <i>2215</i>	26	15.29	168	56	4.31	Coal <i>L</i>	4.31
48 659410 E 5542180 N	245 <i>2180</i>	-9	9.87	170	48	4.53 0.53 1.54 1.91	Coal Mudstone Coal Overburden mixed with coal <i>H+J</i>	8.03
49 659505 E 5542105 N	250 <i>2195</i>	-2	2.09	194	70	1.65	Coal <i>G</i>	1.65
50 659700 E 5545235 N	285 <i>2010</i>	-30	22.95	175	50	0.54 0.17 0.99 0.10 1.17 0.12 0.57 1.25 5.74 0.53 1.99 1.51	Coal Mudstone Coal Mudstone Coal Mudstone Coal Silty Mudstone Coal Mudstone Coal Mudstone <i>K</i>	

Description of Trenches

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LOCATION	TRENCH	PLUNGE	LENGTH (M)	BEDS		TRUE THICKNESS OF LITHOLOGIES (M) STARTING AT HANGING WALL	DESCRIPTION	TOTAL TRUE THICKNESS (M)
				STRIKE	DIP			
50 (cont'd)						1.37 0.41 1.56 0.35 2.52 0.07 0.72	Coal Mudstone Coal Mudstone Coal Mudstone Coal	21.68
277 659715 E 51 5545220 N	304 1985	-29	1.98	175	50	1.65	Coal	1.65
277 659630 E 52 5545250 N	281 2045	-17	3.0	184	69	0.28 0.18 2.0 0.16 0.35	Coal Mudstone Coal Mudstone Coal	2.97
277 659565 E 53 5545255 N	270 2085	-36	5.57	196	59	1.62 0.54 1.01 1.29 0.44	Coal Silty Mudstone Coal Silty Mudstone Coal	5.40
277 659730 E 54 5545230 N	286 1985	-25	4.91	164	48	3.28 0.13 0.78	Coal Mudstone Coal	4.19

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Description of Trenches

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LOCATION	TRENCH <i>clv. m</i>	PLUNGE	LENGTH (M)	BEDS		TRUE THICKNESS OF LITHOLOGIES (M) STARTING AT HANGING WALL	DESCRIPTION	TOTAL TRUE THICKNESS (M)
				STRIKE	DIP			
55 659775 E 5545295N	280 1960	-21	12.88	171	41	1.12 0.11 5.26 1.85 0.26 0.98 1.36	Coal Clay Ironstone Coal Mudstone Coal Silty Mudstone Coal	SEAM M 10.94
56* 659775 E 6545295 N	1960		2.08	171	41	1.42	Coal	M 1.42
57* 658160 E	1585		1.64			0.28 0.1 1.26	Coal Mudstone Coal	N 1.64
58* 658145 E 5547210N	1585					2.26 0.03 0.14 0.06 0.34 0.88 1.17 0.12 1.31	Coal Mudstone Coal Mudstone Coal Mudstone Coal Mudstone Coal	M 6.3

Description of Trenches

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LOCATION	TRENCH	PLUNGE	LENGTH (M)	BEDS		TRUE THICKNESS OF LITHOLOGIES (M) STARTING AT HANGING WALL	DESCRIPTION	TOTAL TRUE THICKNESS (M)	
				STRIKE	DIP				
59*						1.72	Coal	Seam L	7.46
658085E						0.14	Mudstone		
						3.02	Coal		
5547215N						0.04	Mudstone		
						0.66	Coal		
						0.09	Shaley Coal		
						0.38	Coal		
	1600					0.04	Mudstone		
						0.81	Coal		
						0.16	Mudstone		
						0.09	Coal		
						0.06	Mudstone		
						0.25	Coal		
60*						0.14	Carbonaceous Mudstone		
658040E	1590					0.10	Shaley Coal		
						0.11	Coal		
5547220N						0.07	Mudstone		
						0.15	Coal		
						0.10	Mudstone		
						0.14	Coal		
						0.29	Carbonaceous Shale		
						0.51	Siltstone		
						0.25	Coal		
						0.6	Siltstone		
						0.3	Shale		
						0.8	Coal		
						0.09	Coaly Shale		
						1.99	Coal		

Description of Trenches

LOCATION	TRENCH <i>elev.</i>	PLUNGE	LENGTH (M)	BEDS		TRUE THICKNESS OF LITHOLOGIES (M) STARTING AT HANGING WALL	DESCRIPTION	TOTAL TRUE THICKNESS (M)
				STRIKE	DIP			
61*						0.77 0.15 0.85	Coal Carbonaceous Mudstone Coal	1.7
<i>COAL LICENCE</i> <i>00DL</i> 657980 E 5547180 N	1670						<i>Seam</i> E	
62*						1.11 0.18 2.16 0.04 1.01 0.21 0.18	Coal Carbonaceous Mudstone Coal Mudstone Coal Carbonaceous Mudstone Coal	4.89
<i>00DL</i> 658400 E 5547030 N	1630						3	
63*						0.04 0.03 0.05 0.03 0.16 0.06 0.05 0.03 0.10 0.39 0.15 0.28 0.08 0.19 0.11 0.03 0.03 0.02 0.15 0.18 0.03 0.10 0.16	Coal Mudstone Coal Mudstone Coal Mudstone Coal Mudstone Coal Mudstone Coal Mudstone Coal Mudstone Coal Mudstone Coal Mudstone Coal Mudstone Coal Shaley Coal Coal	2.55
<i>00DL</i> 658415 E 5547040 N	1620						3	

Description of Trenches

Page 12 of 12

COAL LICENCE	LOCATION	TRENCH	PLUNGE	LENGTH (M)	BEDS		TRUE THICKNESS OF LITHOLOGIES (M) STARTING AT HANGING WALL	DESCRIPTION	TOTAL TRUE THICKNESS (M)	
					STRIKE	DIP				
000L	64*	658040 E 6547205 N	1605				0.15 0.08 0.45 0.14 0.78 1.7 1.95	Coal Clay Ironstone Coal Carbonaceous Mudstone Coal Silty Sandstone Coal <i>Seam F</i>	5.3	
000L	65*	657950 E 6547195 N	1615				3.35	Poor exposure coal <i>A+B+C</i>	3.35	
000L	66*	657950 E 6547180 N	1620				0.1 0.12 0.46 0.07 1.05	Coal Mudstone Coal Clay Ironstone Coal <i>A+B+C</i>	2.80	
000L	67	658415 E 6547040 N	268	0	12.3	199	24	1.26 0.49 1.45 0.13 1.34	Coal Mudstone Coal Mudstone Coal <i>H</i>	4.67
000L	68*	659195 E 6546845 N	1625				3.06 0.28 0.91	Coal Carbonaceous Mudstone Coal <i>7</i>	4.25	

TABLE 4

AVERAGE SEAM THICKNESSES IN EACH THRUST BLOCK

<u>WEST PLATE</u>		<u>MICHAEL-BANNER PLATE</u>		<u>EWIN PASS-BANNER PLATE AND EWIN PASS-BANNER EAST PLATE</u>	
<u>Seam</u>	<u>T/TM</u>	<u>Seam</u>	<u>T/TM</u>	<u>Seam</u>	<u>T/TM</u>
I	1.45	A	1.37	0	?
II	1.68	B	2.32	1	?
III	2.77	C	2.85	2	4.94
IV	5.01	D	4.9	3	5.37
		E	4.99	4	7.89
		F	2.6	5	5.80
		G	3.46	6	8.00
		H	1.51	7	6.77
		J	1.96	8	
		J+K	5.20		
		K	14.97		
		L	5.76		
		M	8.87		
		N	1.53		

Mount Banner East



Province of British Columbia
Ministry of Energy, Mines and Petroleum Resources

APPLICATION TO EXTEND TERM OF LICENCE

I, LESLIE GRAMANTIK agent for SHELL CANADA RESOURCES LIMITED
(Name) (Name)
P.O. BOX 100 CALCARY
(Address) (Address)
ALBERTA T2P 2M7

Valid FMC No. .257.6777.....

hereby apply to the Minister to extend the term of Coal Licence(s) No(s). 277, 280, 281, 1299,
1302, 5 LICENCES, GROUP #329, 908 HECTARES
for a further period of one year.

2. Property name MOUNT BANNER EAST, KOOTENAY LAND DISTRICT

3. I am allowing the following Coal Licence(s) No(s). to forfeit N/A

4. I have performed, or caused to be performed, during the period FEBRUARY 1, 1982 to
..... JANUARY 31 19 83 work to the value of at least \$
on the location of coal licence(s) as follows:

CATEGORY OF WORK	Licence(s) No(s).	Apportioned Cost
Geological mapping
Surveys: Geophysical
Geochemical
Other
Road construction
Surface work
Underground work
Drilling
Logging, sampling, and testing
Reclamation
Other work (specify)
Off-property costs

5. I wish to apply \$ of this value of work on Coal Licence(s) No(s).

6. I wish to pay cash in lieu of work in the amount of \$ on Coal Licence(s) No(s).

7. The work performed on the location(s) is detailed in the attached report entitled PLEASE APPLY EXCESS
CREDIT ON THESE LICENCES.

24/01/83
.....
(Date)

.....
.....
ASSISTANT LANDMAN
(Position)

GEOLOGICAL MAPPING

Yes No

Area (Hectares)

Scale

Duration

Reconnaissance
Detail: Surface
Underground
Other* (specify)
Total Cost \$

GEOPHYSICAL/GEOCHEMICAL SURVEYS

Yes No

Method
Grid
Topographic
Other* (specify)
Total Cost \$

ROAD CONSTRUCTION

Yes No

Length Width
On Licence(s) No.(s)
Access to
Total Cost \$

SURFACE WORK

Yes No

Length

Width

Depth

Cost

Trenching
Seam Tracing
Crosscutting
Other* (specify)
Total Cost \$

UNDERGROUND WORK

Yes No

No. of Adits

Maximum Length

No. of Holes

Total Metres

Cost

Test Adits
Other workings*
Total Cost \$

DRILLING

Yes No

Hole Size

No. of Holes

Total Metres

Cost

Core: Diamond
Wireline
Rotary: Conventional
Reverse circulation
Other* (specify)
Contractor
Where is the core stored?
Total Cost \$

LOGGING, SAMPLING, AND TESTING

Yes No

Lithology: Drill samples

Core samples

Bulk samples

Logs: Gamma-neutron

Density

Other* (specify)

Testing: Proximate analysis

FSI

Washability

Carbonization

Petrographic

Plasticity

Other* (specify)
Total Cost \$

RECLAMATION

Yes No

Details
Total Cost \$

OTHER WORK (Specify details)

Yes No

Cost

.....
Total Cost \$

OFF-PROPERTY COSTS

Yes No

Details
Total Cost \$

Total Expenditures \$

(Date)

(Signature)

(Position)

*A full explanation of other work is to be included.

4.0 GEOLOGY

4.1 Regional Geology

The Mount Banner East Prospect is within the Elk Valley Coalfield, the northernmost of three major coalfields in southeastern British Columbia. The coalfield is preserved as a synclinal remnant (Alexander Syncline) composed of sediments of Upper Jurassic to Lower Cretaceous Age. Coal seams of economic interest are found in the Mist Mountain Formation of the Kootenay Group.

4.2 Stratigraphy

Jurassic-Cretaceous sediments (TABLE 6) grading from marine shales (Fernie Formation) to fully alluvial conglomerates and sandstones (Blairmore Group) represent the regression to the northeast of the Jurassic "Fernie Sea" from this area. This regression occurred through various epineritic and deltaic environments, the latter being favourable to coal deposition.

Fernie Formation

Interbedded marine shales, siltstones, sandstones and limestones comprise the Fernie Formation. These strata are usually recessive in outcrop and weather dark brown. Fernie shales occur at the foot of the eastern side of Mount Banner East.

Kootenay Group

This report adheres to the stratigraphic nomenclature established Gibson (1979) of the Geological Survey of Canada. He divides the Kootenay Group into three formations: the Morrissey, Mist Mountain and Elk in ascending order (TABLE 6).

Morrissey Formation

This Formation represents the transition from marine to deltaic depositional environment. It is divided into the Moose Mountain and Weary Ridge Members.

TABLE OF FORMATIONS TABLE 6 (Adapted from Gibson, 1979)

ERA	PERIOD	FORMATION	LITHOLOGY	THICKNESS (M)
MESOZOIC	Lower Cretaceous	Cadamin Fm.	non-marine: sandstone, conglomerate and shale	360 - 1980
	LOWER CRETACEOUS AND JURASSIC	Pocaterra Creek	non-marine: sandstones, conglomerate, siltstones and shales	
		ELK FORMATION	non-marine: interbedded medium to coarse grain sandstone, chert-pebble conglomerate with minor siltstone shale and uneconomic coals	150 - 490
		MIST MTN. FORMATION	non-marine and brackish: interbedded coal, siltstones, shales, and sandstones	380 - 480
		MORRISSEY FORMATION	Moose mtn. ----- Weary Ridge	non-marine: massive cliff-forming sandstone
	Jurassic	Fernie Fm.	marine: shales, siltstone, sandstone, limestone	180 - 380

The Weary Ridge Member consists of medium to thick bedded, fine to medium grained sandstone with minor iron-stained concretions and silty as well as shaley interbeds. The member is grey but weathers orange-brown. The Moose Mountain Member is generally massive, well indurated, medium to coarse-grained gray sandstone with a few thin chert pebble or silty bands. It weathers light to medium gray and is a distinct cliff-former. Coal seams have been found in this member on other CNRL properties, but on Mount Banner East only one thin coaly stringer was observed in outcrop and in the diamond drill core (Sloan, 1981).

Mist Mountain Formation

This Formation is an interstratified succession of siltstones, silty shales, mudstones, sandstones and coal seams. All coal of economic interest in southeastern British Columbia occurs in this Formation, and often makes up more than 10% of the Formation.

Elk Formation

This Formation consists of cliff forming, buff weathering, gray sandstones, a few conglomerate bands, siltstones, shales, and of a few thin seams of hard coal. More than 200 metres of Elk Formation caps the south end of the main ridge of Mount Banner East.

4.3 GEOLOGICAL STRUCTURE

The prospect is located on the east limb of the Alexander Creek Syncline. Much of the prospect is a scarp slope of west dipping beds cropping out on the east side of a north trending ridge. The structural geology is governed by four plates separated by their individual thrust faults. Names have been assigned to the plates to aid in the description of the structural geology of the Mount Banner area. The plates are: the West Plate, the Michael-Banner Plate, the Ewin Pass-Banner Plate, and the Ewin Pass-Banner East Plate. They are separated by the Mt. Michael Thrust, the Ewin Pass Thrust and the Twin Anticline Thrust.

(a) West Plate and Mount Michael Thrust

The West Plate is located west of the Mount Michael Thrust. This plate consists mostly of Elk Formation.

The Mount Michael Thrust separates the West Plate from the central Michael-Banner Plate to the east of the Mount Michael Thrust. In the northern part of the project area the Mount Michael Thrust is located entirely in the Elk Formation. In the south, toward Mount Michael, the thrust fault is located in the upper part of the Mist Mountain Formation, exposing four thin coal seams in the West Plate.

The Mount Michael Thrust tends to upthrow Elk Formation on top of coal-bearing Mist Mountain Formation, thus limiting the open pit area in the underlying Michael-Banner Plate.

Four coal seams are located in the southern part of the West Plate. They have been given the Roman numbers I, II, III and IV from top to bottom. All seams are of minor importance because they are either very thin or, as in the case with Seam IV, appear only for a short distance. The true seam thicknesses for the West Plate seams, are shown in Tables 3 and 4.

(b) Michael-Banner Plate and Ewin Pass Thrust

The Michael-Banner Plate is located between the Mount Michael Thrust and the very important Ewin Pass Thrust. A significant number of coal seams outcrop in the Michael-Banner Plate. 13 coal seams designated from top to bottom as Seam A, B, C, D, E, F, G, H, J (or H + J) K, L, M and N are identified. It is interpreted that Seam D shales out and that the thick seam H + J splits into two thin seams, called seam H and seam J. This development cannot be proved conclusively by field mapping.

The seams of the Michael-Banner Plate vary in thickness from very thin to very thick, (32.42m for K seam). True seam thickness for Michael-Banner plate coal seams are tabulated in Tables 3 and 4.

(c) Ewin Pass-Banner Plate and Ewin Pass-Banner East Plate
With the Twin Anticline Thrust

Both plates are separated from the Michael-Banner Plate by the prominent Ewin Pass Thrust. The Twin Anticline Thrust separates these thrust plates from each other. Both thrust plates can be described together because the seam development is similar in each, but vastly different from the Michael-Banner Plate.

The Ewin Pass-Banner Plate consists of an anticline that develops north and south into a monocline due to the position of the Twin Anticline Thrust.

The Ewin Pass-Banner East Plate is formed by an anticline and a syncline. The syncline is asymmetrical with the axial plane slightly dipping to the west (approximately 70°). The anticline axial plane, however, is almost vertical or dips slightly to the west.

The seams in the Ewin Pass-Banner Plate and Ewin Pass-Banner East Plate carry arabic numbers from top to bottom as follows: Seam 1, 2, 3, 4, 5, 7 and Seam 8.

The seam thicknesses are calculated using data from one drill hole on Banner East and trenching in this area. It was felt that this is the most reliable information. Seam 8 was never intersected in borehole or trenches and the thickness of 8 m originates from geological work of the B.C. Government north of Ewin Creek on Imperial Ridge. Seam thickness data for the Ewin Pass-Banner and Ewin Pass-Banner East Plate is presented in Tables 3 and 4.

5.0 COAL RESERVES

The potential exists for at least 6 million tonnes of insitu coal at a low strip ratio in the east part of the property (Sloan 1981). This coal is in the Ewin Pass-Banner East Plate. The present mapping indicates that thick seams also exist in the Ewin Pass-Banner Plate and Michael-Banner Plate. These plates probably contain additional reserves at low strip ratios.

6.0 RECOMMENDATIONS

Construction of additional sections will allow detailed surface and underground reserve calculations. Further field work must include sampling of fresh coal by drilling. At the moment, the only reliable source of coal quality data is the single drill hole which penetrates the lower part of the Mist Mountain section in the Ewin Pass-Banner East plate.

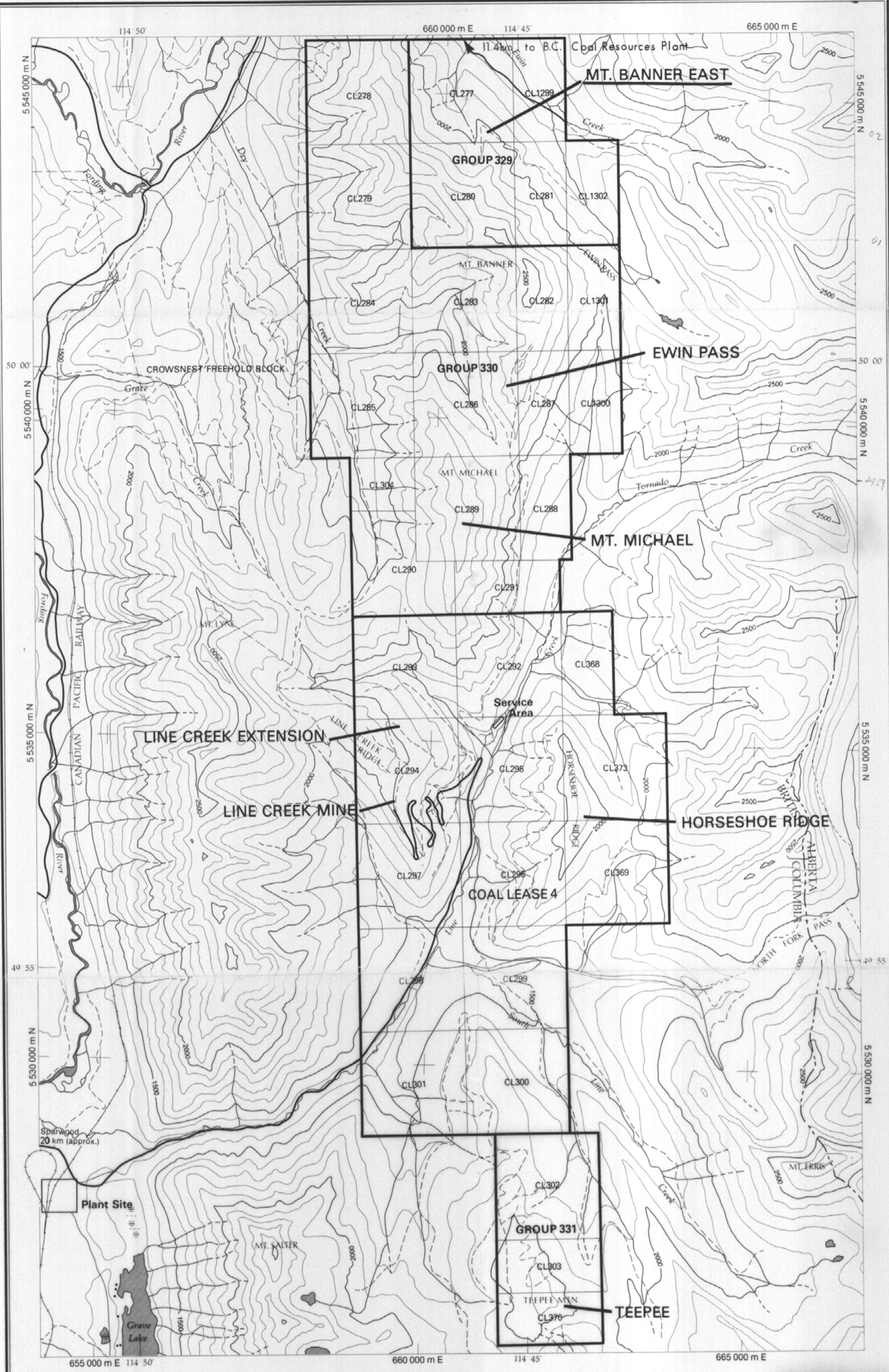
7.0 SELECTED BIBLIOGRAPHY

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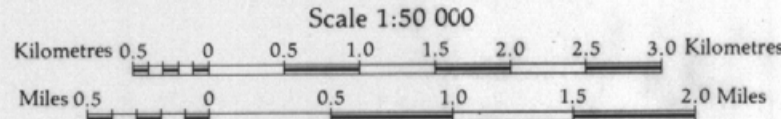
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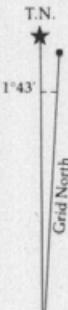


Reference map produced by the Surveys and Mapping Branch, Department of Energy, Mines and Resources in 1975 and updated from 1979 Province of British Columbia 1:100,000 mapping. Metric contours were manually interpolated.



Scale 1:50 000
 Contour Interval 100m
 Transverse Mercator Projection
 Universal Transverse Mercator Grid Zone II

- Legend**
- Road; Highway, Main road
 - Road; Loose surface, Dry weather
 - Track or trail
 - Railway
 - River
 - Stream
 - Contours
 - Licence boundary
 - Licence group boundary



HARDY ASSOCIATES (1978) LTD.

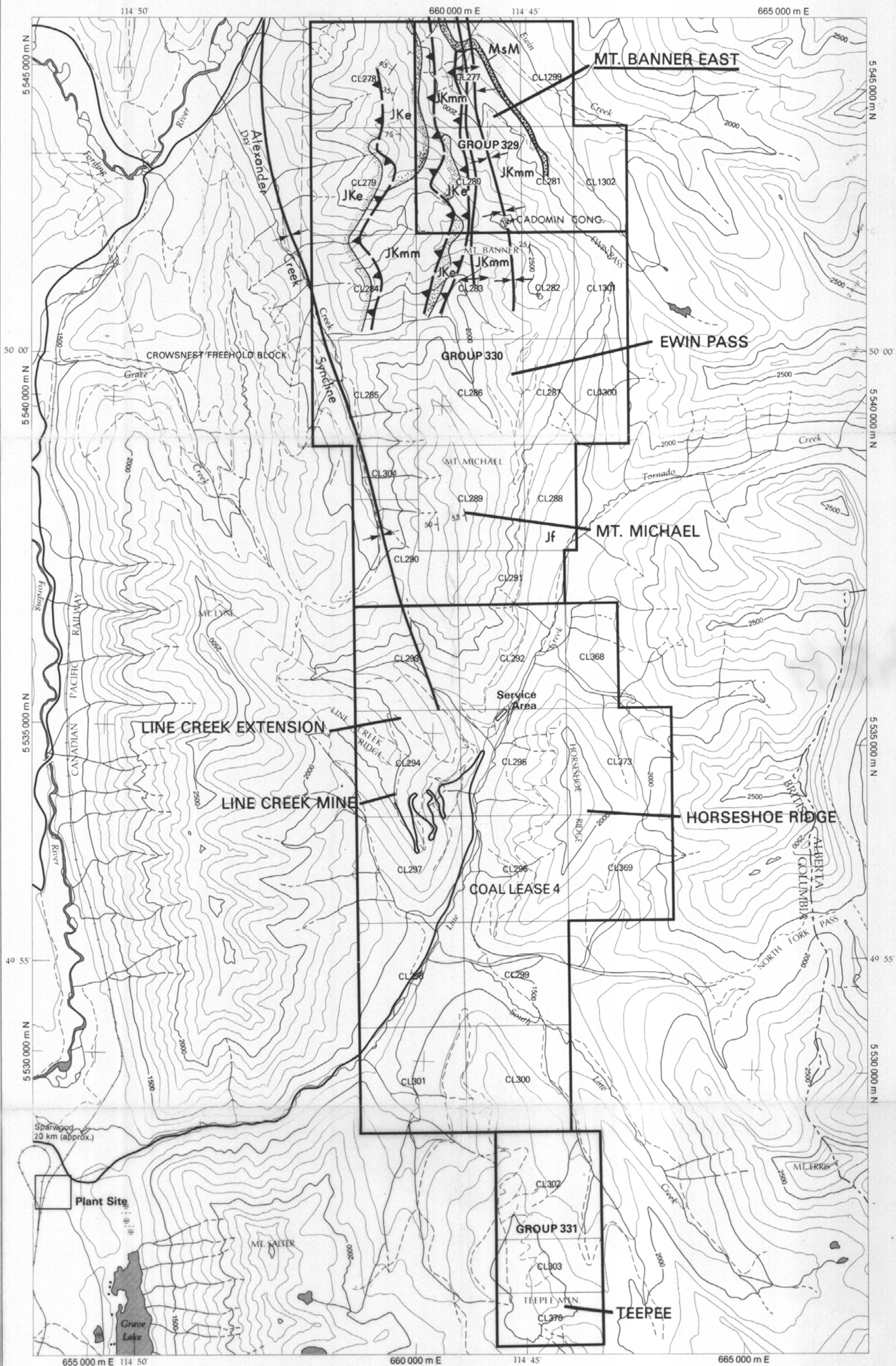
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K-SHEIL-Mt. Banner East 82(2)A(1)

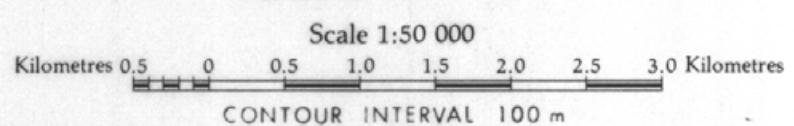
Crows Nest Resources Limited
 EXPLORATION

MOUNT BANNER EAST
 S.E. BRITISH COLUMBIA
INDEX TO COAL LICENCES
AND ACCESS MAP

NTS 82G/15 & 82J/2
 AUTHOR S. COBERNACK SCALE 1:50 000 ENCLOSURE No.
 DATE FEB 1983 REVISION CA 273
 To Accompany

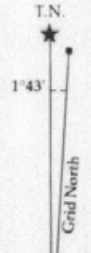


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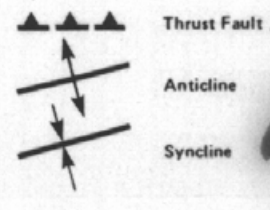
Legend

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Road: Loose surface, Dry weather	- - -
Track or trail	— · — · —
Railway	—+—+—+—
River	—
Stream	- - -
Contours	2000 1500
Licence boundary	— · — · —
Licence group boundary	— · — · —



GEOLOGICAL LEGEND

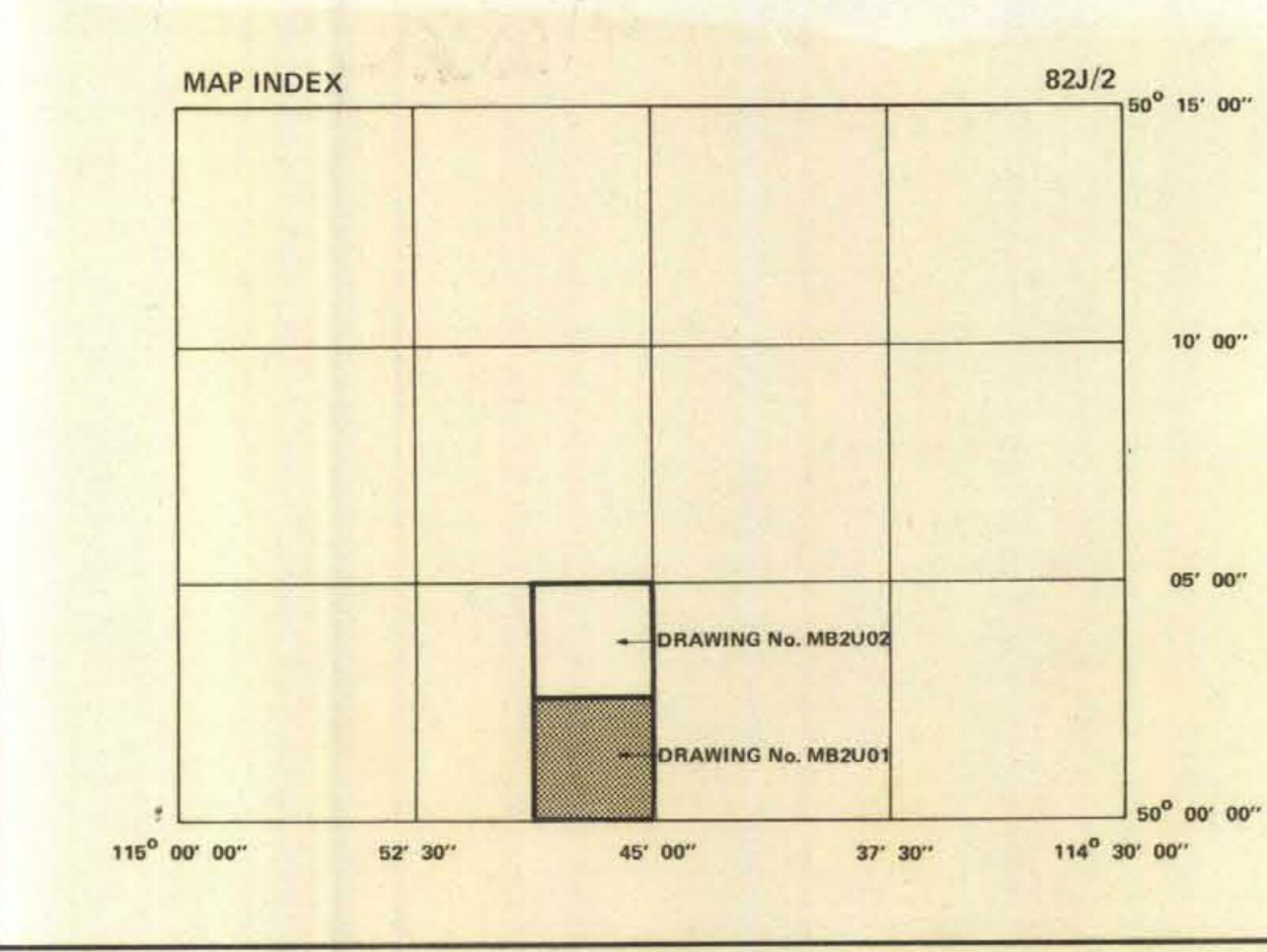
LOWER CRETACEOUS	
Blairmore Group	□
Cadomin Formation	□
JURASSIC - CRETACEOUS	
Kootenay Group	
Eik Formation	□
Mist Mountain Formation, Coal	□
Morrissey Formation (Moose Mountain Member)	□
Moose Mountain Member (Morrissey Formation)	□
Morrissey Formation (Weary Ridge Member)	□



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K-SHELL-Mt. Banner East B2(2*)A (*)

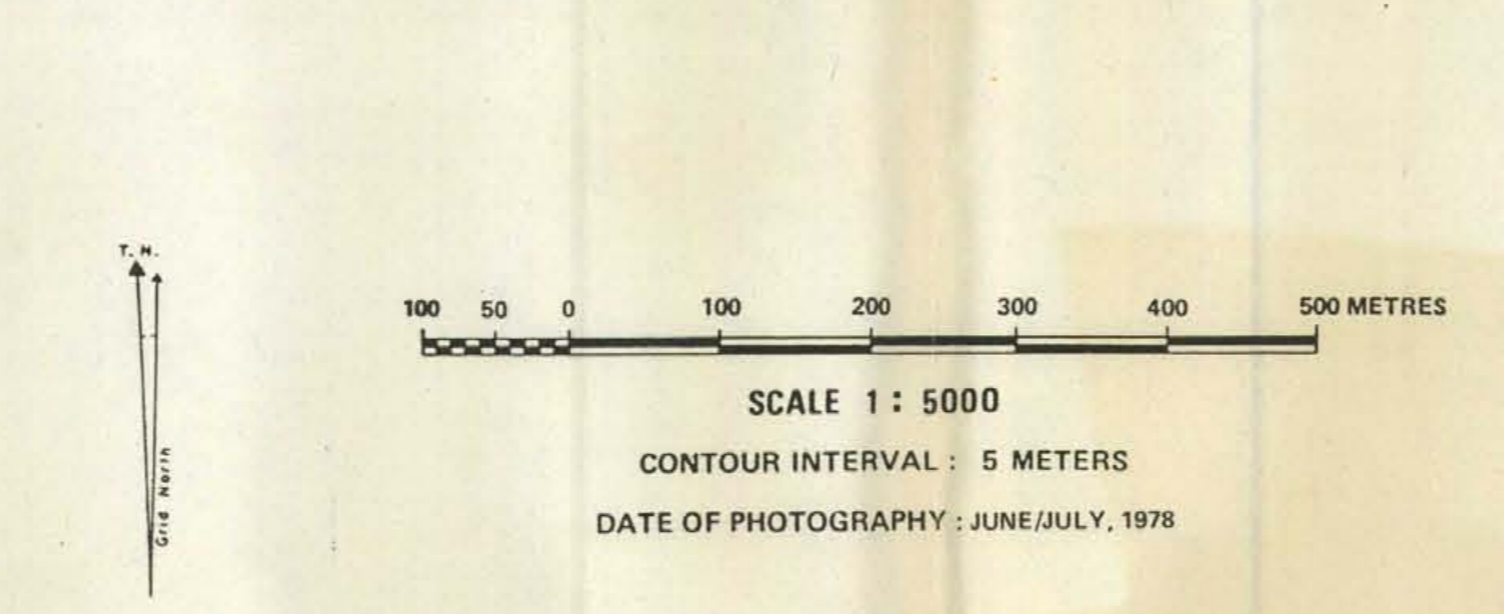
Crows Nest Resources Limited
EXPLORATION
S.E.B.C.
MOUNT BANNER EAST
GEOLOGICAL COMPILATION MAP
N.T.S. 82G/15 & 82J/2
AUTHOR: STOBENACK SCALE 1:50,000
DATE: FEB 1983 REVISION:
ENCLOSURE No. 2
CA-325



REFERENCE

MAIN ROAD	—	RIVER, LAKE	—
SECONDARY ROAD	- - -	INTERMITTENT RIVER	- - -
TRACK OR TRAIL	- · - · -	TREED AREA	■
RAILWAY	—+—+—+—	LINE OF TREES	—
HEDGE FENCE	- · - · -	INDIVIDUAL TREES	○
BRIDGE CULVERT	—+—	VERTICAL INTERVAL	—
CUT FILL	- · - · -	DEPRESSION	- · - · -
SWAMP	—+—	SPOT HEIGHT	○
DRILL HOLE	○	CONTROL POINT	△

MAP PROJECTION: UNIVERSAL TRANSVERSE MERCATOR
CENTRAL MERIDIAN REFERENCE 117° W.



GEOLOGICAL LEGEND

	LOWER CRETACEOUS
	Blairmore Group
	Cadomin Formation
	JURASSIC - CRETACEOUS
	Kootenay Group
	Elk Formation
	Mist Mountain Formation, Coal
	Marriestry Formation (Moose Mountain Member)
	Moose Mountain Member (Merrissey Formation)
	Merrissey Formation (Wray Ridge Member)
	THRUST FAULT
	TRACE OF ANTICLINE
	TRACE OF SYNCLINE
	STRIKE AND DIP OF BEDDING
	LOCATION OF 1982 HAND TRENCH
	CNRL - LICENCE BOUNDARY (APPROX. ONLY)

434

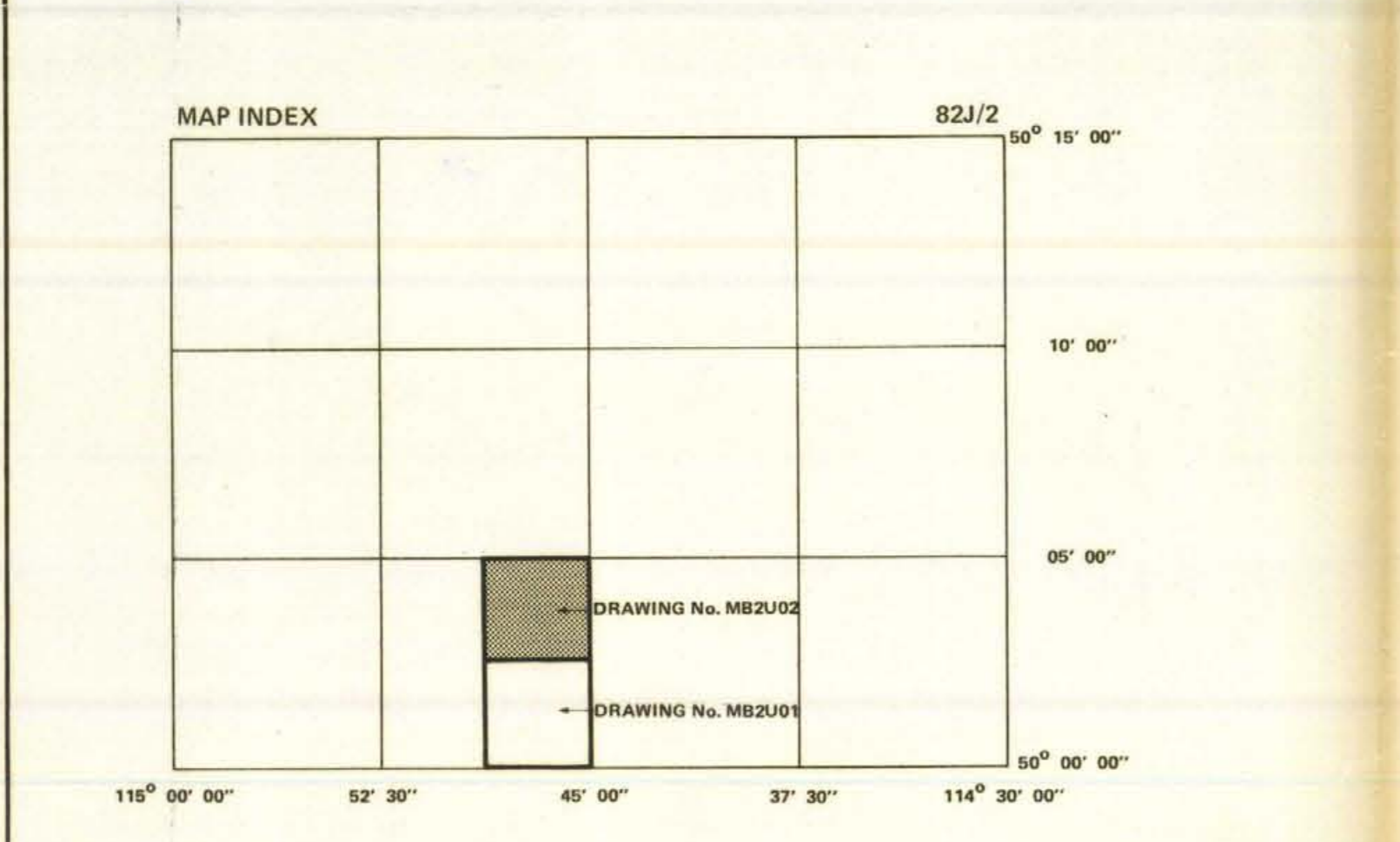
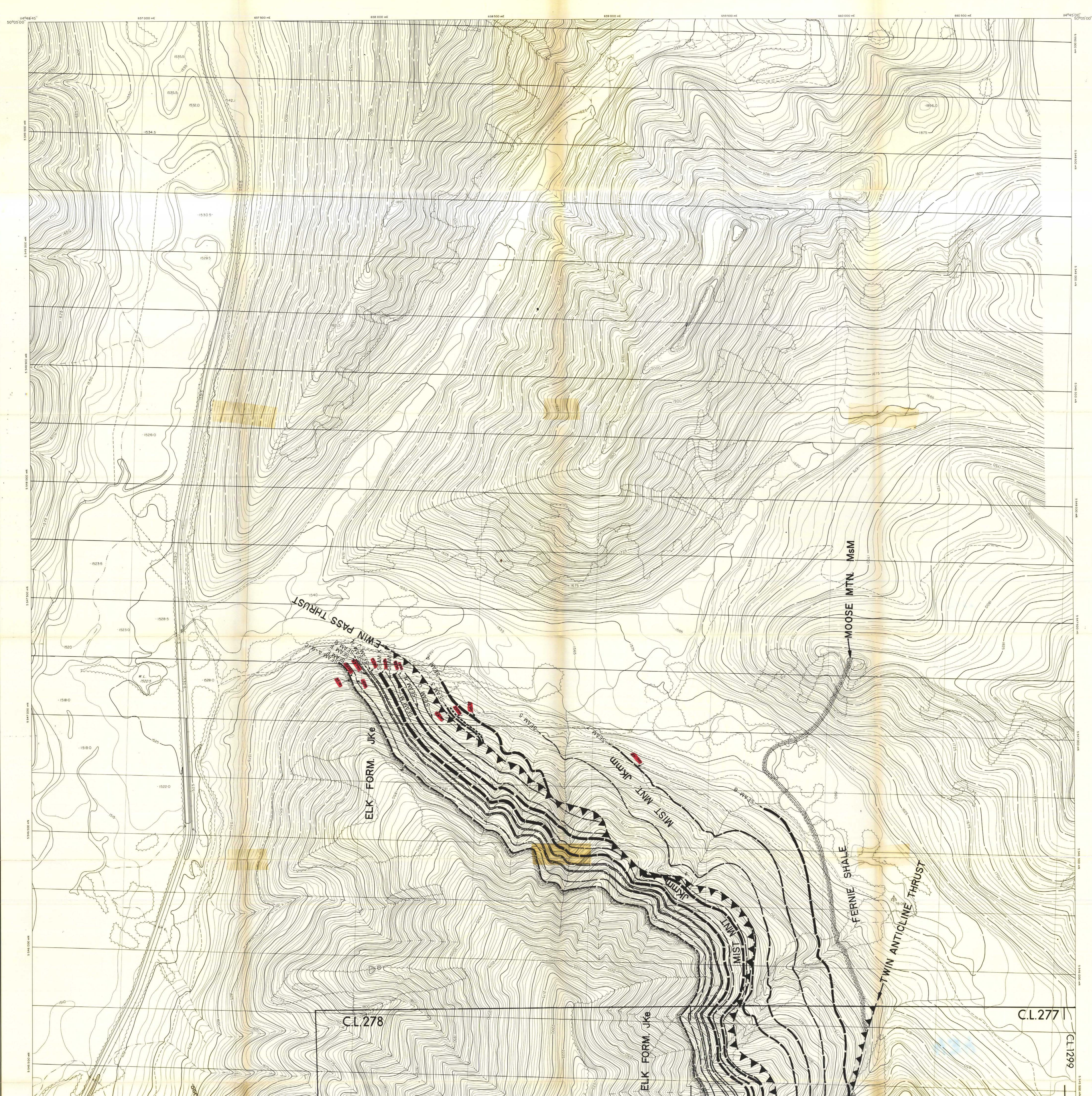
K-SHELL-Mt Banner East 82 (2016.01)

Crows Nest Resources Limited
EXPLORATION
MOUNT BANNER EAST
S.E. BRITISH COLUMBIA

GEOLOGICAL MAP
SHEET 1 of 2

Enclosure 3
U.T.M. ZONE 11

NTS - 82/1/2	SCALE: 1:5000	DRAWN BY: J.S.
AUTHOR: J. STORERACK	REVISOR:	DRAWING No: M82U01
DATE: 83-02	To Accompany	



REFERENCE

MAIN ROAD	RIVER, LAKE	INTERMITTENT RIVER
SECONDARY ROAD	TREED AREA	LINE OF TREES
TRACK OR TRAIL	RAILWAY	INDIVIDUAL TREES
BRIDGE CULVERT	CUT FILL	SWAMP
DRILL HOLE	CONTROL POINT	

MAP PROJECTION: UNIVERSAL TRANSVERSE MERCATOR
CENTRAL MERIDIAN REFERENCE 117° W.

SCALE 1 : 5000
CONTOUR INTERVAL : 5 METERS
DATE OF PHOTOGRAPHY : JUNE/JULY, 1978

GEOLOGICAL LEGEND

	LOWER CRETACEOUS Blairmore Group
	Cadenam Formation
	JURASSIC - CRETACEOUS Kootenay Group
	Elk Formation
	Mist Mountain Formation, Coal
	Moose Mountain Member (Moose Mountain Member)
	Moose Mountain Member (Wesley Ridge Member)
	THRUST FAULT
	TRACE OF ANTICLINE
	TRACE OF SYNCLINE
	STRIKE AND DIP OF BEDDING
	LOCATION OF 1982 HAND TRENCH
	CNRL - LICENCE BOUNDARY (APPROX. ONLY)

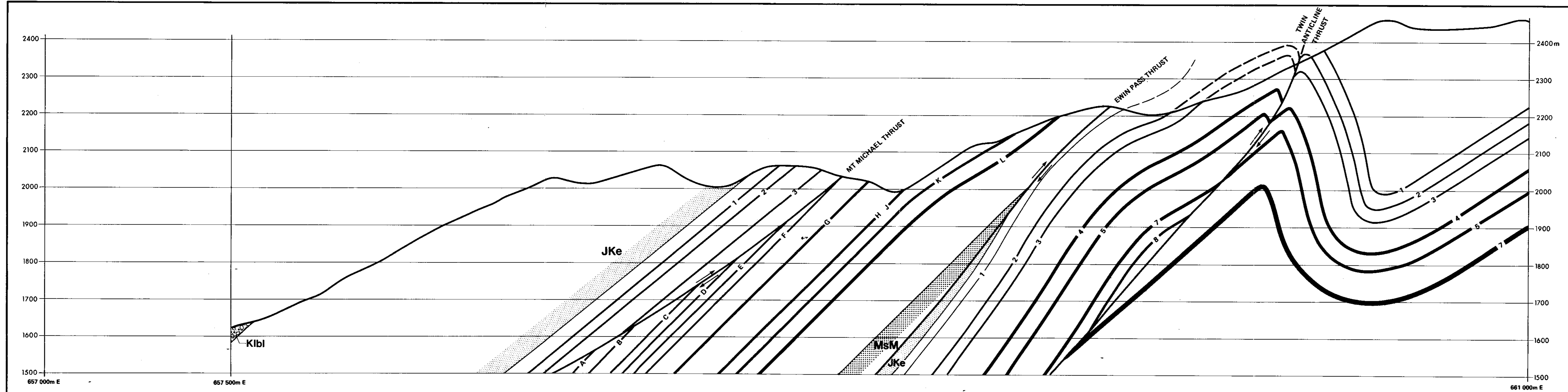
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Crows Nest Resources Limited
EXPLORATION
MOUNT BANNER EAST
S.E. BRITISH COLUMBIA

GEOLOGICAL MAP
SHEET 2 of 2

Enclosure 4
U.T.M. ZONE 11

N.T.S. - 82J/2
AUTHOR: J. STOBENACK
DATE: 83-02
SCALE: 1:5000
REVISED:
DRAWN BY: J.S.
DRAWING No: MB2J02



GEOLOGICAL LEGEND

LOWER CRETACEOUS

Blairmore Group

- Kibi Cadomin Formation

JURASSIC - CRETACEOUS

Kootenay Group

- JKe Elk Formation
- JKmm Mist Mountain Formation, Coal
- JKm Morrissey Formation (Moose Mountain Member)
- MSM ~~Moose Mountain Member (Morrissey Formation)~~
Morrissey Formation (Weary Ridge Member)

Geological Contact - defined, approx., inferred

Thrust Fault (arrow represents direction of thrusting)

434

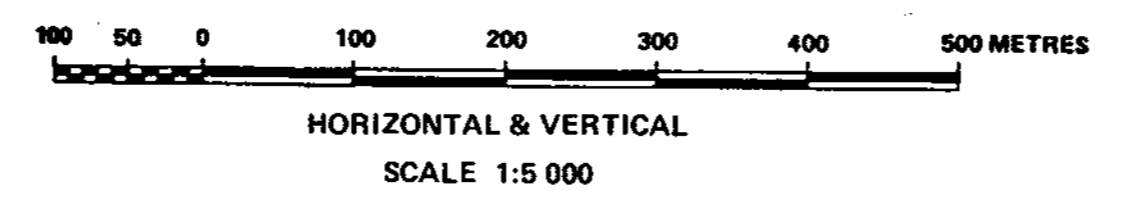
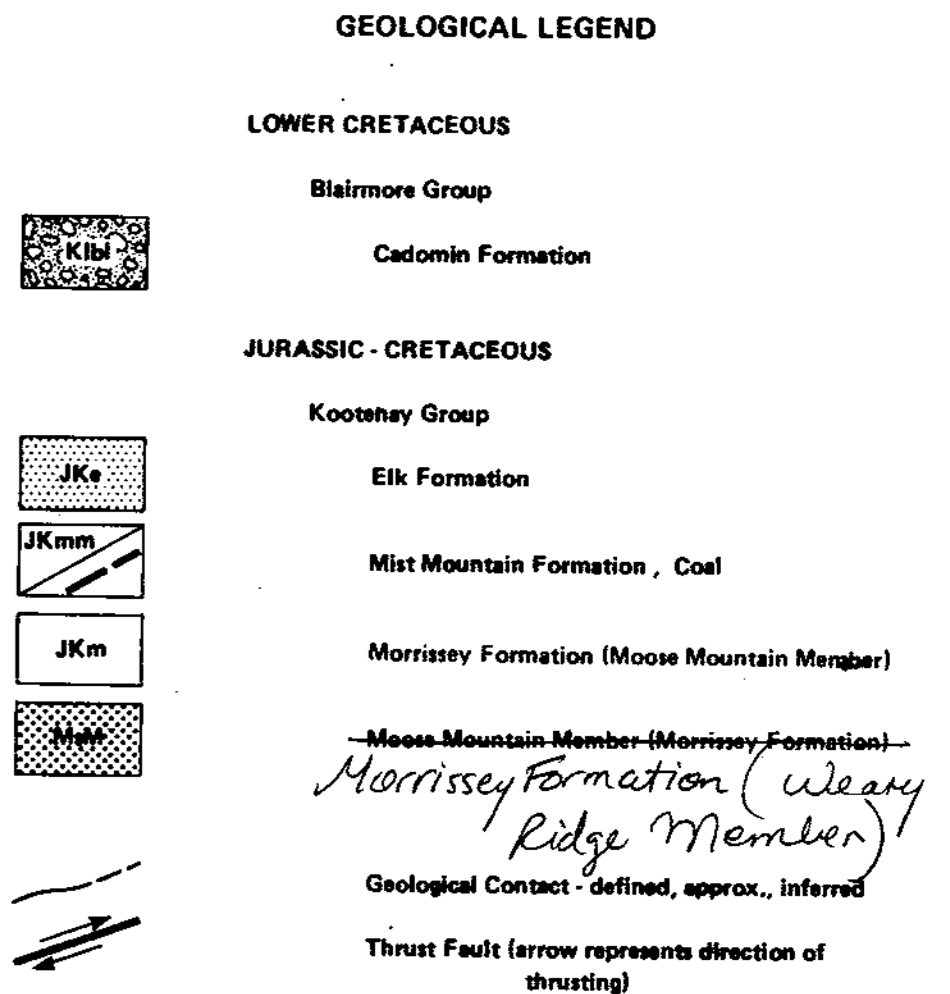
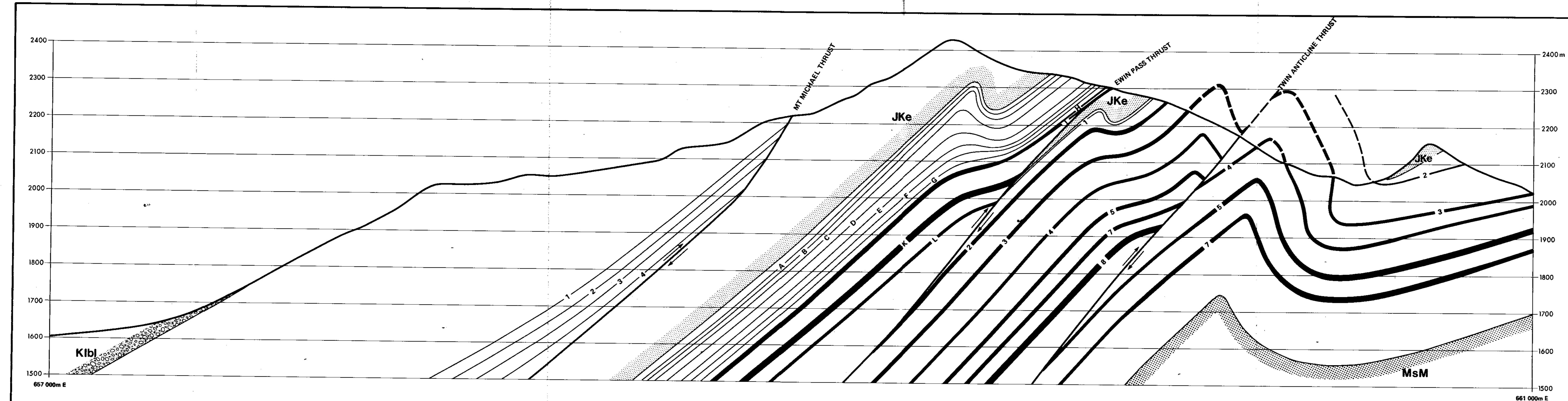
K-SHELL - Mt. Banner East 82(2)A (61)

Crows Nest Resources Limited
EXPLORATION

MOUNT BANNER EAST
SE. BRITISH COLUMBIA

CROSS-SECTION
5 543 000 mN

NTS. 82J/2 Enclosure No. 5
AUTHOR: J. STOBERNACK SCALE: 1:5 000 UTM. ZONE 11
DATE: FEB 1983 REVISION: DRAWING BY:
To Accompany DRAWING No. **MB2X01**



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EXPLORATION

MOUNT BANNER EAST
S.E. BRITISH COLUMBIA

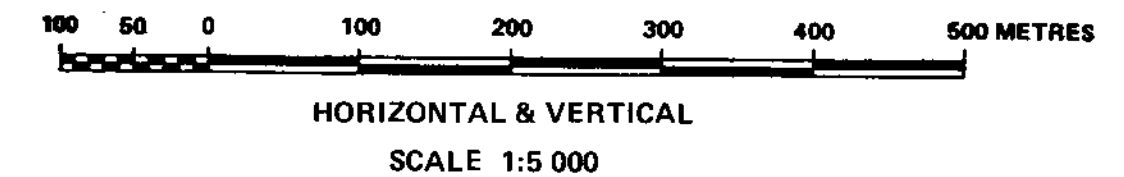
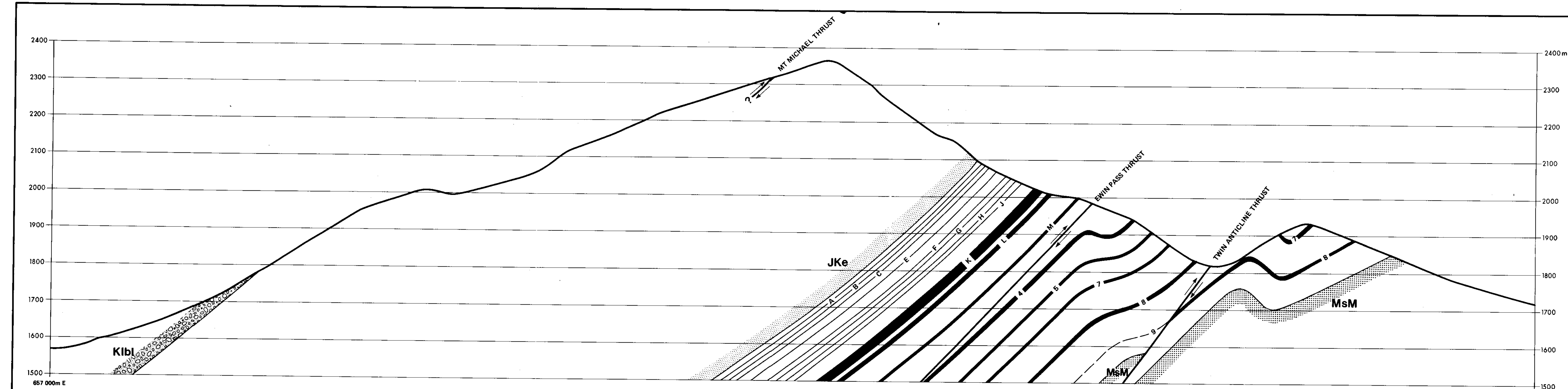
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Enclosure No. 6
UTM ZONE 11

NTS 82 J/2

AUTHOR: J. STOBERNACK	SCALE: 1:5 000	DRAWN BY:
DATE: FEB 1983	REVISED:	DRAWING NO: MB2X02

To Accompany



GEOLOGICAL LEGEND

LOWER CRETACEOUS

Blairmore Group

 Kibi

 Cadinin Formation

JURASSIC - CRETACEOUS

Kootenay Group

 JKe

 JKmm

 JKm

 MsM

 Elk Formation

 Mist Mountain Formation, Coal

 Morrissey Formation (Moose Mountain Member)

 Moose Mountain Member (Morrissey Formation)

 Morrissey Formation (Weary Ridge Member)

 Geological Contact - defined, approx., inferred

 Thrust Fault (arrow represents direction of thrusting)

K-SHELL - Mt. Banner East 82(2*)A (*)

Crows Nest Resources Limited
EXPLORATION

MOUNT BANNER EAST
SE. BRITISH COLUMBIA

CROSS-SECTION
5545 000 mN

Enclosure No. 7
U.T.M. ZONE 11

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DATE: FEB 1983		
To Accompany		