

NAME OF PROPERTY

OREGON (FRENCH)

OBJECT LOCATED - Oregon claim, Lot 703S

UNCERTAINTY IN METRES 300. Lat. 49°19'30" Long. 120°01'20"

Mining Division Osoyoos District

County Township or Parish

Lot Concession or Range

Sec Tp. R.

OWNER OR OPERATOR

DESCRIPTION OF DEPOSIT

The property is underlain by a salient of Triassic and later (?) sediments of the Nicola Group. The salient extends about a mile southwestward into younger granodiorite of the Coast intrusives and is about half a mile wide. The strata in the vicinity of the mine consist of tuffs overlying 15 to 20 feet of limestone which in turn overlies cherty tuffs. Locally limestone has been completely replaced by silica. The mineralization is in a garnet-pyroxene skarn which appears to have formed in part along fractures rather than as a consistent replacement of beds. There is not, therefore, necessarily a direct relationship between the distribution of skarn and the attitude of bedding planes.

The original discovery was of chalcopyrite-pyrite mineralization at the western extremity of the skarn horizons in proximity to a fault (French fault). Copper-skarn mineralization of this nature is notorious for its erratic character and present evidence would indicate that this zone is reasonably typical.

see Card 2

Associated minerals or products - Silver, copper, tungsten.

HISTORY OF EXPLORATION AND DEVELOPMENT

The property is located at the 3,900 foot level on the east side of the Similkameen River 3 miles southeast of Hedley.

The Oregon group, comprising the Oregon, Savage, St. Bernard, and Winchester claims (Lots 703S to 706S respectively), was under development from about 1905. The claims were Crown-granted in 1916 to L.W. Shatford, C.H. French, H.A. Turner, and T.D. Pickard. The adjacent Hope claim (Lot 112S) was Crown-granted in 1913 to J. McLean and E.J. Rotherham. In 1917 the property was expanded to include the Two Sisters, Oregon Fr. and Winchester Fr. claims, which were subsequently Crown-granted as lots 3873-3875 respectively.

Development work to 1917 included a 35 foot drift adit and 8 foot crosscut in the mineralized zone, and two other adits some 70 feet lower which failed to encounter the mineralized zone. Some of this work was reportedly carried out by The Granby Consolidated Mining, Smelting and Power Company, Limited.

No further activity was reported until the property was optioned in January 1949 by Kelowna Exploration Company, Limited, operator of the nearby Nickel Plate mine; purchase of the property was completed in 1950. Some exploratory drilling was done in 1949 and underground development began in July 1950. Initial mining was done in the adit and in two small open stopes that developed into one stope as mining progressed. Production began in July 1950. Mining at a rate of 30-40 tons per day was carried out as a seasonal operation, the ore being hauled to the company mill at Hedley. The company name was changed in 1951 to Kelowna Mines Hedley Limited. In 1952 a new adit was driven from a point 300 feet east of the original adit. Mining continued each summer and fall until work was suspended on Sept. 3, 1955. Underground development during this period of operation included some 1,100 ft. of drifting, 100 feet of raising, and 5,100 feet of diamond drilling.

A controlling interest in the property was acquired from Kelowna Mines Hedley by The Cariboo Gold Quartz Mining Company, Limited. Development work underground began in July 1956. The original adit was extended to a length of 550 feet, and a new adit at the 3,785 feet elevation was

see Card 2

Mineral Policy Sector, Department of Energy, Mines and Resources, Ottawa

503812

HISTORY OF PRODUCTION

Early production data is incomplete because metal content was not separated from the Nickel Plate production. From start of production in July 1950 until September 1955, 32,463 tons of ore were shipped to the Nickel Plate mill. From this ore 25,284 ounces of gold were recovered (Silver recovery was not reported). (Report of Minister of Mines, 1955, p. 42).

During the period of production Aug. 1957 to May 1961, 53,085 tons of ore were milled. From this ore 26,277 ounces of gold and 2,115 ounces of silver were recovered (Reports of Minister of Mines, 1957-1961).

In 1982-83, 4438 tonnes of ore were shipped to the Danko Mill. From this ore, 26,396 grams of gold, 135,218 grams of silver, and 20,535 kg of copper were recovered.

MAP REFERENCES

Map 568 A, Hedley, (Geol.), Sc. 1":1 mile, Geol. Surv. of Canada, 1940.

Map 888 A, Princeton, (Geol.), Sc. 1":4 miles - accomp. Memoir 243.

Map 8526 G, Hedley, (Aeromag.), Sc. 1":1 mile.

#Map 92 H/8, Hedley, (Topo.), Sc. 1:50,000.

Geology of the Hedley Area, Sc. 1 cm: 1 km, Fig. 2-10-1, Geological Fieldwork, 1986, p. 66.

REMARKS

REFERENCES

Reports of Minister of Mines, British Columbia:

1905, p. 190; 1906, p. 166; 1907, p. 120;
1908, p. 251; 1909, p. 136; 1910, p. 125;
1911, p. 180; 1912, p. 182; 1913, pp. 177, 424;
1916, p. 524; 1917, p. 205; 1928, p. 257;
1949, p. 131; 1950, p. 114; 1951, p. 131;
1952, p. 137; 1953, p. 106; 1954, p. 116
1955, p. 42; 1956, p. 73; 1957, p. 33; 1958, p. 31;
1959, p. 55 + ; 1960, p. 57 ++ ; 1961, p. 58.

Rice, H.M.A.; Geology and Mineral Deposits of the Princeton Map-Area, British Columbia; Memoir 243, p. 78, Geol. Surv. of Canada, 1947.

Mineral Policy Sector; Corporation Files: "Kelowna Mines Hedley Limited"; "The Cariboo Gold Quartz Mining Company, Limited"; "French Mines Ltd."; "Kalco Valley Mines Ltd."; "Grove Explorations Ltd."

+++Westervelt Engineering Ltd., Exploration of the French Mine Property - in Grove Explorations Ltd. Statement of Material Facts, Sept. 11, 1978.

Geology, Exploration, and Mining; British Columbia Dept. of Mines: 1976, p. E-82.

George Cross News Letter: 19/05/83; 1985, No. 166, 226;

Geological Fieldwork, British Columbia Dept. of Mines: 1986, pp. 65-79.

| Comp./Rev. By | DMacR | JL | DMacR | DMacR | | | |
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| Date | 10-78 | 12-82 | 12-83 | 06-88 | | | |

NAME OF PROPERTY

OREGON (FRENCH)

DESCRIPTION OF DEPOSIT (continued)

The mineralization throughout most of the mine area is low in sulphides, comprising values in fine free gold with minor bismuth tellurides and sparse finely disseminated pyrite and arsenopyrite. Significant tungsten mineralization has been discovered in two areas in the old workings where only mineral roof support pillars and sills remain. A representative sample of the tungsten mineralization over a 4' thickness assayed 0.61% WO₃, 1.03 oz Au, 1.63 oz Ag, and 2.4% Cu.

Although the sedimentary sequence in detail has been complexly crumpled, folded and fractured, the gross structure is apparently relatively simple. The gold-bearing shoots are flat lying and are situated near and along the crest of a gentle, east-plunging fold. Although the individual orebodies are irregular in shape, they are sufficiently interconnected to have been mined almost continuously over an east-west length of 700 feet, a width varying from 40-200 feet, and with thicknesses from 6 feet to 50 feet.

The axis of the orebody trends northwest and plunges toward the southeast. At the southwest end of the mine the orebody curves to east-west and finally swings round nearly to northwest. It is flat-lying for most of its length; the dip steepens eastward, and in the central part the orebody rolls steeply northwest between the 3,920 and 3,835-foot levels.

The gold is not associated with sulphide mineralization but occurs free and in conjunction with bismuth telluride. Determination of ore must be made by assay, as it cannot be recognized. In general, a combination of fine-grained pinkish-brown garnet and fine streaky green pyroxene assays better than coarser garnetite. A peppering of fine gold is in places visible, occurring in garnet or pyroxene.

The ore zone is displaced, about 15 feet each, by several steep-dipping cross-faults, striking north-northeast to northeast. These are in the hangingwall of a northeast-striking fault dipping 40 degrees westward which cuts off the ore zone, the Cariboo fault.

HISTORY OF EXPLORATION AND DEVELOPMENT (continued)

driven 695 feet in a northeasterly direction to serve as the main haulageway. A new operating company, French Mines Ltd., was incorporated in September 1956 with Cariboo Gold Quartz holding a 75% interest; the vendor interest (25%) was subsequently reported owned by Oil Participations Incorporated of New York. The construction of a 50 ton-per-day mill for extraction of the gold by cyanidation was begun in April 1957 in the Similkameen Valley just south of Hedley. Production began August 26, 1957. Operations continued until May 21, 1961 when the mine closed. Development work during this period of operation included approximately 2,985 feet of drifting, 769 feet of crosscutting, 902 ft. of raising, and 14,472 feet of diamond drilling.

Kalco Valley Mines Ltd. in 1969 acquired an option on the property from Edward Mullins and Gerald Burr. After spending \$5,000 in mapping, trenching, and sampling the zone of copper mineralization the company abandoned the option.

Grove Explorations Ltd. by a March 6, 1976 agreement optioned in addition to the above claims the TAT, NAL, KEY, Sun, and Moon Fr., Crown-grants lots 3870-3872, 3876, and 3877 respectively. Work during the year included geological mapping of the old workings, a geochemical survey comprising 36 rock samples, electromagnetic and induced potential surveys, trenching, drilling, and blasting. "On the basis of earlier drilling and recent test holing by Grove Explorations, Mr. Sharp has outlined a potential reserve of some 9,624 tons grading 0.15 ounce gold, 3.0 ounces silver, and 2% copper which might be amenable to open-cut and shallow underground mining" (Report by Westervelt Engineering Ltd., March 10, 1978 - in Grove Explorations Ltd. Statement of Material Facts, Sept. 11, 1978).

By a further agreement of October 1, 1976 the company optioned from A.B. Broomfield the St. Bernard (Lot 705S) and Winchester (Lot 706S) reverted Crown-grants. In 1982, there were outlined 10,000 tons of "easily accessible proven reserves" averaging 0.31 ozs gold equivalent. (NM Oct. 14, 1982). Grove Explorations and Dankoe Mines Limited agreed to a joint venture mining of the deposit.

Late in 1982 a joint venture agreement was reached as to Grove (60%) and Dankoe Mines Limited (40%) which called for the milling of Oregon mine ore at the Dankoe mill, some 40 miles away. Underground rehabilitation, sampling, and

HISTORY OF EXPLORATION AND DEVELOPMENT (continued)

mining of high-grade sections in 1982-83 amounted to about 4000 tonnes. Grove Exploration in August 1984 amalgamated with two other companies to form Golden North Resource Corporation. Work in 1988 included an induced potential survey.