NAME OF PROPERTY

CALEDONIA

OBJECT LOCATED - Cascade claim (Lot 1295).

UNCERTAINTY IN METRES 300.

Lat. 50°38°55" Long. 127°36°15"

Nanaimo Mining Division

District

County

Township or Parish

Lot

PRODUCT

Concession or Range

Sec

Tp.

R.

OWNER OR OPERATOR

DESCRIPTION OF DEPOSIT

The property is underlain by Upper Triassic Karmutsen volcanics and Quatsino limestone, intruded by Jurassic granodiorite of the Island Intrusions. The Triassic rocks strike northwest to west and dip from 20 to 40 degrees to the south. The deposit is an irregular contact replacement in limestone at the granodiorite contact. Mineralization consists of an epidote-garnet (amphibole) skarn containing magnetite, chalcopyrite, and sphalerite. Elsewhere on the property chalcopyrite occurs at limestone-volcanic contacts and in fractures in volcanics.

HISTORY OF EXPLORATION AND DEVELOPMENT

The Caledonia claim is located about $1\frac{1}{4}$ miles northwest of Quatse Lake, 7 miles southwest of Port Hardy.

The showings were discovered and staked in 1919 by J. Dernberger and C.G. Nordstrom as the Caledonia Nos. 1-14 and Caledonia Falls claims. Trenching on the showings was reported in 1920. These claims lapsed and the ground was restaked as the Caledonia, Cascade, Bluebell, Scotia, Maple, and Thistle claims by Messrs. T.D. Harris, R.A. Grierson, and M.C. Potts, of Alert Bay. The workings in 1923 included a 50 foot adit. The owners incorporated Caledonia Mines, Limited, in 1926 to continue the exploration work. Three claims, the Caledonia, Cascade, and Bluebell (Lots 1294-1296, respectively) were Crown-granted in 1927. During 1927-1928 over 400 feet of underground work was done in a crosscut adit, drifts and raises. The Consolidated Mining and Smelting Company of Canada Limited held an option on the property during 1929 and carried out several hundred feet of crosscutting and drifting. Underground work to that date outlined an estimated 75.000 tons averaging 0.01 ounce gold and 20.54 ounces silver per ton, 6.0% copper, 7.45% zinc, and 0.6% lead (D.C. Malcom rept. 24/4/72 - in VSE SMF 5/7/72, North Island Ms L). No further activity was reported and the Caledonia Mines charter was surrendered in 1940.

In August 1966, C.K. Storey, of Port Hardy, optioned the Crown-granted claims to T.E. Kirk, who the following month incorporated North Island Mines Ltd. Additional claims were purchased and staked to a total of 139, covering Quatse Lake and the immediate area to the west, northwest, and north. Exploration work to the end of 1972 included a geochemical survey of all the claims, a magnetometer survey, geological mapping, trenching, approximately 5,000 ft. of diamond drilling and 2,500 ft. of percussion drilling.

By an agreement dated Sept. 7, 1973 McCullough Utah Resources Ltd. acquired an option to carry out 1,500 lineal feet of surface diamond drilling in consideration for 125,000 common shares in the capital of North Island Mines.

March 1988 - A &

HISTORY OF PRODUCTION

In 1929, one ton of ore was shipped from this property. From this ore 15 ounces of silver and 146 pounds of copper were recovered.

MAP REFERENCES

Preliminary Geological Map Rupert Inlet-Cape Scott Area, Sc. 1":2 miles, Fig. 29, Geology, Exploration and Mining, 1970, B.C. Dept. of Mines.

Map 4-1974, Alert Bay-Cape Scott, (Geol.), Sc. 1:250,000 - accomp. Paper 74-8, Geol. Surv. of Canada, 1974.

Mines and Mineral Occurrences of Alert Bay-Cape Scott area, Sc. 1:250,000, Fig. 15 - accomp. Paper 74-8, Geol. Surv. of Canada, 1974.

#Map 92 L/12, Quatsino, (Topo.), Sc. 1:50,000.

Map 1734 G, Quatsino, (Aeromag.), Sc. 1":1 mile (1963).

Claim group Map of Coal Harbour-Port Hardy Area, Sc. 1": 1\frac{1}{2} miles, Fig. 14, Report of Minister of Mines, British Columbia, 1968.

REMARKS

Comp./Rev. By	DMacR			
Date	12-78			

REFERENCES

Reports of Minister of Mines, British Columbia: 1920, p. 202; 1923, p. 253; 1926, p. 322; 1927, pp. 352, 484; 1928, p. 379; 1929, p. 380 +; 1930, p. 297; 1968, p. 88.

Muller, Northcote, and Carlisle; Geology and Mineral Deposits of Alert-Cape Scott Map-area; Paper 74-8, p. 60, Geol. Surv. of Canada, 1974.

**Gunning, H.C.; Geology and Mineral Deposits of Quatsino-Nimpkish Area, Vancouver Island, British Columbia; Summary Report 1929, Pt. A, pp. 122-124, Geol. Surv. Canada.

Malcolm, D.C.; Report on North Island Mines Ltd.; Apr. 24, 1972 - in VSE Statement of Material Facts, July 5, 1972.

Mineral Policy Sector; Corporation Files: "North Island Mines Ltd."; "McCullough Utah Resources Ltd.".

Geology, Exploration and Mining; British Columbia Dept. of Mines: 1970, p. 265 +++ .