

NAME OF PROPERTY
NOM DE LA PROPRIÉTÉ

YELLOW GIANT (BANKS, TEL)

OBJECT LOCATED
OBJET LOCALISÉ

UNCERTAINTY
FACTEUR D'INCERTITUDE

Lat. 53°22' Long. 130°08'

Mining Division Skeena
Division minière

District
District

Range 4 Coast

County
Comté

Township or Parish
Canton ou paroisse

Lot
Lot

Concession or Range
Concession ou rang

Sec
Sect.

Tp.
Ct.

R.
R.

OWNER OR OPERATOR/PROPRIÉTAIRE OU EXPLOITANT

DESCRIPTION OF DEPOSIT/DESCRIPTION DU GISEMENT

Banks Island is underlain mainly by granitic rocks of the Coast Intrusions and remnants of metasedimentary rocks which are indicated (Map 23-1970) to be Permian (?) and/or Older in age. One such remnant, in the vicinity of Waller, Hepler and Banks lakes, comprises isoclinally folded limestone and argillaceous rocks which are metamorphosed to marble, skarn and slate. Bulk tonnage disseminated gold occurs in highly fractured granitic rocks (Kim zone), while high grade gold lodes (Discovery, Tel, Bob zones) occur in the metasediments and associated skarns. The mineralization is controlled by a well developed fault and fracture system; these structures and the sedimentary rocks are known locally to continue to depths greater than 350 metres. The sulphide mineralization includes pyrite, pyrrhotite, arsenopyrite, chalcopyrite, sphalerite and galena.

Associated minerals or products - Silver, lead, zinc,
Minéraux ou produits associés

HISTORY OF EXPLORATION AND DEVELOPMENT HISTORIQUE DE L'EXPLORATION ET DE LA MISE EN VALEUR

The property is located on Banks Island some 60 miles south of Prince Rupert.

Falconbridge Nickel Mines Limited located the first claims in July 1960 at Hepler Lake, midway between Banks and Waller Lakes. This new discovery of gold-bearing mineralization in the coastal area resulted from systematic prospecting of major lineaments. Some 200 claims were staked by Falconbridge in the Banks, Banker, Isle, Omi, Waller, Bay, Nik, Lilly, and Keetcha groups.

Mineralization on the Banks 1-4 claims at the southeast end of Hepler Lake was explored by diamond drilling during the summer of 1963. The drilling consisted of 5 EX drill-holes totalling 1,250 feet and 18 AXWL holes totalling 5,800 feet. Additional work in 1964 included about 60 line-miles of geochemical and self potential surveys, about 100 rock cuts, pits, and trenches, and 13,074 feet of diamond drilling in 16 holes.

No further activity was reported until 1973 when Wesfrob Mines Limited, a wholly owned subsidiary of Falconbridge, began work on the property. During 1973 Wesfrob carried out magnetometer, electromagnetic and geochemical soil (200 samples) surveys over 2.3 line-miles. Further geochemical soil surveying (348 samples) was done in 1974. During 1975 a geochemical survey (4,136 samples) over 31.5 line-kilometres covering all the claims, and trenching, were carried out. Work during 1976 included geological mapping, surface diamond drilling in 11 holes totalling 1,102 metres on Bank 1, 2, 4, 141, and Banker 141, 147, 210, 211, and packsack diamond drilling in 9 holes totalling 112.2 metres on Bank 2, 141, 147.

The adjacent Tel group of claims was located by McIntyre-Porcupine Mines, Limited in 1964. During 1965 the company put down 26 packsack diamond drill holes totalling 1,761 feet on Tel 23 claim. No further work was reported. The company name was changed in 1974 to McIntyre Mines Limited.

Sproatt Silver Mines Ltd in June 1975 purchased from McIntyre the Tel 23, 24, 37 and 38 claims. Work in 1975 included an induced potential survey, a geochemical survey (424 samples), and diamond drilling in 17 holes totalling

see Card 2

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Seraphim, R.H.; Report on Tel Claims, Banks Island; in Sproatt Silver Mines Ltd Statement of Material Facts, June 1975.

Reports of Minister of Mines, British Columbia: 1963, p. 21+; 1964, p. 47.

Geology, Exploration and Mining; British Columbia Dept. of Mines: 1973, p. 484; 1974, p. 323; 1975, p. E 174; 1976, p. E 162; 1977, p. E 206; 1978, p. E 235.

Roddick, J.A.; Douglas Channel-Hecate Strait Map-Area, British Columbia; Paper 70-41, p. 51, Geol. Surv. of Canada, 1970.

Mineral Policy Sector; Corporation Files: "Hecate Gold Corp"; "Trader Resource Corp".

Geological Fieldwork; British Columbia Dept. of Mines: 1978, p. 103.

Exploration in British Columbia; British Columbia Dept. of Mines: 1975, p. E 174; 1984, p. 372.

Mineral Exploration Review, BCDM: 1984, p. 12; 1985, pp. 15, 19.

George Cross News Letters: 1983, No. 129; 1984, Nos. 8, 41, 43, 130, 205, 213; 1985, Nos. 45, 142, 215, 243, 245; 1986, Nos. 11, 14, 111, 152.

Geology in British Columbia; BCDM: 1977-81, p. 139.

MAP REFERENCES/RÉFÉRENCES CARTOGRAPHIQUES

*Map 103 G/8 E, Banks Island, (Topo.), Sc. 1:50,000.
Map 23-1970, Douglas Channel and Hecate Strait, (Geol.), Sc. 1:250,000 - accomp. Paper 70-41, Geol. Surv. of Canada.
#Lineaments on part of Banks Island, Sc. 1":6,200 ft., Fig. 3, Report of Minister of Mines, British Columbia, 1963.
Claim map, Sc. 1":120 ft - Report by R.H. Seraphim (1975).
Yellow Giant Project, Claim map, George Cross News Letter, 1986, No. 14.

REMARKS/REMARQUES

Comp./Rev. By Comp./rév. par	DMacR						
Date Date	08-86						

PRODUCT GOLD
PRODUIT

PROVINCE OR PROVINCE OU British Columbia
TERRITORY TERRITOIRE

N.T.S. AREA 103 G/8
RÉGION DU S.N.R.C.

REF. AU 1
RÉF.

NAME OF PROPERTY
NOM DE LA PROPRIÉTÉ

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HISTORY OF EXPLORATION AND DEVELOPMENT (continued)
HISTORIQUE DE L'EXPLORATION ET DE LA MISE EN VALEUR

1,050 metres on Tel 23. The company name (Sproatt) was changed in 1977 to Hecate Gold Corp.

In May 1977 Hecate optioned a 90% interest in the Banks property (94 claims) from Falconbridge; the combined properties were subsequently restaked as the Yellow Giant 1-10 claims (120 units, 7,400 acres). During the period September 1977 to May 1978 a 1,425 foot decline was driven on the Bob showing, opening the shear structure for a length of 440 feet and to a vertical depth of 203 feet. Underground diamond drilling totalled 1,100 feet. Hecate Gold in June 1982 amalgamated with Host Ventures Ltd under the latter name. In May 1963 Host optioned the property to United Mineral Services Ltd and diamond drilling was reported. In January 1984 United transferred the agreement to Trader Resource Corp. A second agreement gave Trader a 100% working interest with Falconbridge and Inter-Globe Resources Ltd (formerly Host Ventures) a 10% carried interest each. Work in 1984 included airborne Mag and EM surveys over 300 km and 3 575 m of diamond drilling. In 1985 geophysical and geochemical surveys, trenching and drilling were carried out; drilling to date on four zones totalled approximately 29,000' in 157 holes. Reserves at end of 1985 were reported as follows:

Zone	Tons	oz/t Au
Kim	1,100,000	0.072
Bob	50,000	1.17
Discovery	100,000	0.46

(Trader Res Corp, Statement of Material Facts 13/01/86). Reserves in the Tel zone were reported (June 1986) as 206,400 tons mineable at 0.64 oz/t Au, 1.28 oz/t Ag (Northern Miner 23/06/86).