

PRODUCT GOLD
PRODUIT

PROVINCE OR PROVINCE OU
TERRITORY TERRITOIRE

British Columbia

N.T.S. AREA 103 F/9
RÉGION DU S.N.R.C.

REF. AU 1
RÉF.

NAME OF PROPERTY
NOM DE LA PROPRIÉTÉ

CINOLA (BABE)

OBJECT LOCATED - Babe 7 claim.
OBJET LOCALISÉ

UNCERTAINTY 300 m
FACTEUR D'INCERTITUDE

Lat. 53°31'40"

Long. 132°13'05"

Mining Division Skeena
Division minière

District
District

Queen Charlotte

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

The property is located on the northwest striking Sandspit fault system, which separates the Haida and Masset Formations of Cretaceous and Palaeocene-Eocene age on the southwest from the Mio-Pliocene Skonun Formation on the northeast. On the property a shale sequence of the Haida Formation and overlying interbedded sequence of pebble conglomerate and coarse sandstone of Skonun age are both intruded by a stock of rhyolite porphyry. The main structural feature is the footwall (Specogna) fault, which strikes 157 degrees and dips 40 to 60 degrees to the east, and is probably a part of the Sandspit fault system.

The gold-silver deposit terminates abruptly against the footwall fault to the west and dies out gradually to the north and east. The host rock is a silicified mass of Skonun sandstone and conglomerate; the intensity of silicification increases towards the rhyolite porphyry. The gold apparently exists in a very fine form in varying amounts in most of the rock types that have undergone silicification. Native gold has been recognized in quartz veins. Iron sulphides occur throughout the gold-bearing rocks. The occurrence of cinnabar, chalcopyrite and sphalerite has been noted.

Associated minerals or products - Silver.
Minéraux ou produits associés

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

The property is located in the Queen Charlotte Islands some 10 miles south of Masset Inlet, near the Yakoun River.

The showings were discovered in 1970 by Elfrem Specogna and Johnny Trinco while prospecting along the trace of the Sandspit Fault Zone. They were attracted to the locality by a visible jarosite-coated bluff in which veins were visible but sulphides were sparse. Fortunately, they sampled veins and wall rock which had some gold values. The Babe 1-32 and Ric 1-10 claims were staked on the showings in 1971. That same year Kennco Explorations, (Western) Limited optioned the property and carried out a geochemical silt, soil, and rock survey covering all claims, and 181' of diamond drilling in 2 holes on Babe 6 and 8.

Cominco Ltd. held an option on the property in 1972 and carried out geological mapping, a geochemical soil survey (106 samples), trenching, and 1,642 feet of diamond drilling in 9 holes on Babe 5, 7, 9, and 10.

Silver Standard Mines Limited optioned the property in 1973, and subsequently re-optioned an 80% interest to Quintana Minerals Corporation. Work by Quintana during 1974 included geological mapping, trenching, 2,077 feet of percussion drilling in 18 holes and 191 feet of packsack drilling in 4 holes. During 1975 Quintana carried out percussion drilling in 16 holes, and diamond drilling in 5 holes totalling 690 metres on Babe 5, 7, 9, 10, and 12 in an area about 3,000 feet by 1,200 feet. This work indicated a reserve of more than 50 million tons of 0.06 ounce gold per ton and 0.1 ounce silver per ton (Richard, Christie, and Wolfhard, 1976); the options held by Quintana and Silver Standard were abandoned in 1976.

Consolidated Cinola Mines Ltd. in April 1977 optioned the Babe and Ric groups totalling 51 claims from Mr. Specogna. Energy Reserves Canada, Ltd., a subsidiary of the Kansas based Energy Reserves Group, Inc., under a November 1979 joint venture agreement optioned from Cinola a 50% interest in the property. Diamond drilling during the period 1977-80 totalled approximately 20 000 metres in 140 holes. By the end of 1980 Energy Reserves Canada had earned its 50% interest. Drill indicated reserves were estimated at 43,300,000 tons averaging 0.056 g/t Au available for open pit mining (Canadian Mining Journal, April 1981, p. 69). The deposit forms a hill, giving a waste to ore ratio of less than 1:1 for the planned open pit.

p.t.o.

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

Underground work began in December 1980 on a planned 1,500' adit and two crosscuts. Construction of a 50 ton per day pilot mill was begun during the year.

Cinola Operating Company Ltd. was incorporated in December 1980 by Consolidated Cinola (2/3) and Energy Reserve (1/3) to develop the property. Underground development and drilling, pilot mill operations, and a feasibility study were carried out during 1981-82, which indicated reserves of 53,000,000 tons at 0.055 oz/t Au, 0.05 oz/t Ag (George Cross News Letter (04/11/85)). Mineable reserves were reported as 34 316 000 tonnes at 0.06 oz/mt Au (Northern Miner, 28/04/83).

In 1984 Misty Gold Inc, a private company entered into an agreement to acquire the 50% interest held by Energy Reserves, subject to a 0.5% to 5% royalty. Later that same year Consolidated Cinola acquired Misty Gold through a share exchange. Diamond drilling in 14 holes late in 1984 indicated a higher grade zone of 7,000,000 tons at 0.1 oz/t Au of open pit material (George Cross, 08/04/86).

NEWS LETTER

MAP REFERENCES/RÉFÉRENCES CARTOGRAPHIQUES

Geology of the Queen Charlotte Islands, Sc. 1":2 miles, Fig. 5, Sheet C, accomp. Bulletin 54, British Columbia Dept. of Mines, 1968.

#Geological sketch map and section, Sc. 1 cm:125 m, Fig. G-34, Geology in British Columbia, 1975, p. G 74.

*Map 103 F/9 E, Port Clements, (Topo.), Sc. 1:50,000.

REMARKS/REMARQUES

REFERENCES/BIBLIOGRAPHIE

Geology, Exploration, and Mining; British Columbia Dept. of Mines: 1971, p. 111; 1972, p. 497; 1974, p. 322; 1975, pp. E 172, G 73-76+; 1977, p. E 206; 1978, p. E 234.

Geological Fieldwork, British Columbia Dept. of Mines; 1975, pp. 71-74; 1979, pp. 159-170 (Paper 80-1)^{††}.

Champigny, N., Sinclair, A.J., Sanders, K.; Specogna Gold Deposit; Western Miner, June 1980, p. 35.

Sutherland, W. Don., Sanders, K.G.; The Cinola Deposit; Canadian Mining Journal, April 1981, p. 69.

Richards, G.G., Christie, J.S., Wolfhard, M.R.; Specogna: A Carlin Type Gold Deposit, Queen Charlotte Islands, British Columbia; Abstract in Canadian Institute of Mining and Metallurgy, Bulletin, September 1976, p. 64.

Mineral Policy Sector; Corporation Files: "Silver Standard Mines Limited"; "Quintana Minerals Corporation"; "Consolidated Cinola Mines Ltd."

Exploration in British Columbia: 1979, p. 249; 1980, p. 381; 1982, p. 364.

George Cross News Letters: 1982, No. 83; 1983, No. 241; 1984, No. 179; 1985, Nos. 52, 173, 212; 1986, No. 67.

Comp./Rev. By Comp./rév. par	DMacR	DMacR					
Date Date	03-82	08-86					