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REPORT ON THE Electromagnetic Survey on the Raney Township Property (Grid 2) of <u>GOLDROCK RESOURCES INC.</u> by D.Greg Hodges, B.Sc. July 6, 1987

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MINING LANDS SECTION



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INTRODUCTION

During the first part of 1987, an electromagnetic survey was completed on 18 claims of the 72 claim Raney Township property of Goldrock Resources Inc.

The survey, conducted by Robert S. Middleton Exploration Services Inc., was used to define conductors and structure on the western area of the property, extending the coverage of previous surveys.

LOCATION AND ACCESS

The property is located east of Raney Lake and north of Denyes Lake in Raney Township, Ontario, approximately 50km south west of Foleyet, Ontario. (Figure 1 and 2). Access is by fixed wing aircraft (available in Foleyet or Timmins) to either lake.

CLAIM STATUS

The area surveyed consists of 18 un-patented mining claims in the Porcupine Mining District, all of which are held by Goldrock Resources Inc. of 1300-33 Yonge Street, Toronto, Ontario.

The claims are:





Recording Date
June 12, 1980
August 2, 1984
July 21, 1986

GEOLOGY

The following is quoted from Caira and Coster, 1984:

Regional Geology

"Raney Township is situated in the western end of the Abitibi greenstone belt and is underlain by Early Precambrian (Archean) supracrustal rocks of volcanic and sedimentary origin. The supracrustal rocks have been intruded by Archean felsic and mafic intrusives. The plutonic rocks occupy the southwestern corner and the northwestern portion of the township.

The youngest rocks are lamprophyre dikes, that may possibly occupy pre-existing faults. The dikes are



believed to be Late Jurassic to Early Cretaceous in The next youngest rocks are believed to be the age. felsic intrusives. These rocks have been interpreted by Thurston, Siragusa and Sage to be Early Precambrian in age, and include massive to weakly foliated biotite and hornblende trondhjemite, granodiorite and minor quartz diorite. These rocks were not encountered on the J-dex Raney property. The next youngest rocks are the felsic to intermediate metavolcanics including felsic porphyritic and pyroclastic rocks with thin cherty interflow metasediments. These rocks occurred throughout a large portion of the J-dex Raney property.

The oldest rocks in Raney Township are mafic to intermediate metavolcanics including basaltic to andesitic flows. wollig lavas. and gabbroic coarse-grained flows or intrusions. Among these the andesitic flows are predominant. The J-dex Raney property is thought, by the authors, to lie within the Swayze - Deloro metavolcanic - metasedimentary belt, which is part of the Abitibi Subprovince.

The rocks of the Swayze - Deloro metavolcanic metasedimentary belt generally have foliations and schistosities parallel or at low angles to the bedding

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^{1. 1977:} Geology of the Chapleau Area, Districts of Algoma, Sudbury and Cochrane: Geoscience Report 157

and banding. Well foliated rocks occurred sporadically throughout the J-dex Raney property. The foliation was not discernable in the more massive varieties of the mafic metavolcanics.

Secondary lineations are relatively common in the metavolcanic - metasedimentary belts in the map area including elongated pyroclastic fragments, small scale crenulations and elongated clasts in detrital rocks. Several of these secondary lineations were seen on the J-dex Raney property.

A lack of outcrop throughout most of the Swayze Deloro map area makes the positive defining of faults a difficult process. Strike-slip faults exist throughout the map area together with east-trending shear zones. More major north-northwest to northwest striking faults are conspicuous throughout the metavolcanic metasedimentary belt. Throughout the Swayze - Deloro belt. the faulting is indicated bv abrupt discontinuities the felsic metavolcanic units, in similar to that on the J-dex Raney property.

Property Geology

The 21 claim J-dex, Raney Township property is underlain by metavolcanic and metasedimentary rocks of the Swayze - Volcanic belt. The metavolcanic sequence includes predominantly calc-alkalic basaltic to andesitic massive flows, pillowed flows and tholeiitic coarser grained massive flows, as well as predominantly rhyodacitic ash tuffs and crystal tuffs related to a felsic to intermediate volcanic center and possible shallow water volcanogenic sedimentation.

In the northern part of the property sheared felsic to intermediate tuffs occur that are greater than 400 metres in thickness. Along the lower contact, basaltic to andesitic massive flows, pillowed flows and tholeiitic intermittent basalts occur that are silicified and somewhat brecciated along the mafic-felsic contact.

Towards the centre of the claim group the basaltic to andesitic massive flows and pillowed flows predominate. Pillow top directions were difficult to determine although south facing tops were seen in one locality. Numerous zones of felsic pyroclastic rocks composed of rhyodacitic crystal tuffs and ash tuffs are indiscriminantly scattered throughout the sequence and indicates that intermittent felsic explosive activity continued during the accumulation of the predominantly mafic metavolcanic sequence. In the southern part of the property, a thicker sequence of felsic pyroclastic rock occurs, including waterlain rhyodacitic crystal lapilli tuffs and fine ash tuffs."

PREVIOUS WORK

The following is quoted from Caira and Coster, 1984:

"The Swayze gold belt has been intermittently explored over a time span of about 80 years. Most of the interest has centered on gold but base metals have been searched for as well.

Current exploration activity has been directed to the search of gold mineralization. Some of the more prominent gold exploration activity has been by; Orofino east of Raney township; Quinterra Resources in Tooms and Greenlaw townships southwest of Raney township; and by Carlson Mines in Rollo township. This activity has discovered significant gold values within chert and quartz-carbonate zones within basalts. These occurrences coupled with many known gold occurrences in the Swayze Gold Belt implies a good environment to search for gold deposits.

The following summary of the previous work in the area has been abstracted from assessment work files and reports from others who have worked in the area. Figure No. 2 shows the location of the J-dex Raney township claim group relative to neighbouring townships along the Swayze gold belt.

A review of the assessment work files in the Timmins Resident Geologist's office reveals that sporadic exploration has been carried out on the J-dex property in the northeast corner of Raney Lake. It is as follows:

1984

Hole No. 84-15EA

245' of winkie drilling encountered visible gold in quartz stringers with disseminated pyrite, molybdenite, sphalerite, chalcopyrite and associated apple green mineral (fuchsite?), tourmaline within an east-west trending fault zone.

Hole No. 84-15EB

216' of winkie drilling encountered visible gold in quartz stringers with disseminated pyrite and associated fuchsite?, tourmaline, fault zone.

Hole No. 84-15WA

213' of winkie drilling encountered visible gold, disseminated pyrite, pyrrhotite, sphalerite, chalcopyrite associated with quartz floodings, fault zone.

Hole No. 84-15WB

197' of winkie drilling encountered visible gold, with disseminated pyrrhotite, pyrite, molybdenite associated with quartz floodings, fault zone.

Hole No. 84-30EA

186' of winkie drilling encountered visible gold, with disseminated pyrrhotite, pyrite, molybdenite associated with quartz-carbonate veining, within an east-west fault zone.

Hole No. 84-30EB

199' of winkie drilling with visible gold, and disseminated molybdenite and pyrite within quartz-carbonate veins in tuffs.

Hole No. 84-30EC

181' of winkie drilling with visible gold, and disseminated molybdenite pyrite and sphalerite within quartz -carbonate veins in tuffs.

Hole No. 84-450NA

185' of winkie drilling encountered disseminated pyrite and pyrrhotite within Dacitic tuffs.

Hole No. 84-450NB

163' of winkie drilling encountered disseminated pyrite, pyrrhotite and chalcopyrite within Dacitic tuffs.

Hole No. 84-450NC

123' of winkie drilling encountered disseminated pyrite within Dacitic tuffs.

Hole No. 84-450ND

110' of winkie drilling enountered disseminated pyrite within tuffs.

1983 218' of winkie drilling in one hole. Visible gold with disseminated galena, pyrite, tourmaline within an eastwest trending fault zone with associated quartz-carbonate veins.

1982 Magnetic and VLF surveys by J-dex Mining and Exploration Ltd. and Ingamar Resources.

exploration has been carried out on Sporadic properties in the immediate vicinity located east and southeast of the J-dex Raney Township claim group. This work is briefly summarized as follows:

1932 & 1935

Throne - Greaser Gold Showing

Reported on by Furse G.D. (1932) and Rickaby H.C. (1935). Located on the south shore of a small pond north of Raney Lake. 2' wide quartz vein traced for 100' in arkose and impure quartzite. Veins strikes Az 080° and dips steeply to the north. Vein contains pyrite, carbonate and trace native gold. Smaller 6" quartz vein in feldspar porphyry 500' south of larger vein; strikes Az 060° and traced for 100'. At one location native gold, pyrite, chalcopyrite, galena and tourmaline was reported.

1972	Claw Lake Molybdenite Mines Ltd.				
	Located over part of Raney Lake and beyond to the east. Aeromagnetic survey: Ground Magnetic Survey - 52 miles. Magnetics reported to be flat.				
1972 - 1982	J-dex Mining and Exploration				
	Claim blocks on southwest end of Raney Lake. 1972 345' of winkie drilling in 3 holes. Rhyolite with some disseminated pyrite interesected. 1973 I.P., Magnetic and Geochemical Surveys Produced: 9 zones of anomalous charge- abilities. Magnetic distortions. Highest geochemical - copper 65ppm, Zn - 205ppm. 110' of winkie drilling done.				
	1975 - 1979 5 winkie drill holes totalling 1,568'.				
1976	Unex				
	Airborne survey southwest end of Raney Lake. Part of a larger program over parts of the Swayze Gold Belt.				
1982	Ontario Geological Survey PInput aeromagnetic survey over the Swayze Belt Magnetic and Electromagnetic surveys flown.				



(Registered trade mark of Barringer Research Ltd.

Lacana Mining

Geological survey work on west boundary of Raney Township west of J-dex claim group. Carbonatite - alkalic complex. Rock types associated with Kapuskasing structural zone mapped."

During the summer of 1986 induced polarization, magnetics and VLF-EM surveys were conducted by Goldrock Resources. The IP survey covered the north central area of the claim block, and the mag/VLF survey covered the south-central area. Several interesting IP anomalies were detected, some of which extend west into the current claim block.

Concurrent with this survey, a magnetics survey was completed on the same area of the property, and an electromagnetic and magnetic survey was conducted on the eastern 17 claims (Grid 3) of the group.

SURVEY PROCEDURE

MAX-MIN II

Theory

The Max-Min II is a frequency domain, horizontal loop electromagnetic (HLEM) system, based on measuring the response of conductors to a transmitted, time varying electromagnetic field.

The transmitted, or primary EM field is a sinusoidally

1983

varying field at any of five different frequencies. This field induces an electromotive force, (emf), or voltage, in any conductor through which the field passes. This is defined by:

$$\oint E.dl = \frac{-\partial i}{\partial t}$$
 (the Faraday Induction Principle)

where E is the electric field strength in volts/metre (and so \oint E.dl is the emf around a closed loop) and \oiint is the magnetic flux through the conductor loop. This emf causes a "secondary" current to flow in the conductor in turn generating a secondary electromagnetic field.

This changing secondary field induces an emf in the receiver coil (by the Faraday law) at the same frequency, but which differs from the primary field in magnitude and phase. The difference in phase (the phase angle) is a function of the conductance of the conductor(s), both the target and the overburden and host rock. The magnitude of the secondary is also dependant on the conductance, and also on the dimensions, depth, and geometry of the target, as well as on the interference from overburden and the host rock.

These two parameters (phase angle and magnitude) are measured by measuring the strength of the secondary field in two components: the real field or that part "in-phase" with the primary field; and the imaginary field, or that part in "quadrature" or 90° out of phase from the primary field.

The magnitude and phase angle of the response is also a

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function of the frequency of the primary field. A higher frequency field generates a stronger response to weaker conductors, but a lower frequency tends to pass through weak conductors and penetrate to a greater depth. The lower frequency also tends to energise the full thickness of a conductor, and gives a better measure of its true conductivity-thickness product (conductance).

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For these reasons two or more frequencies are usually used; the lower for penetration and accurate measure of good conductors, and the higher frequency for strong response to weak conductors.

Distinction between conductive targets, overburden, and host rock responses are made by studying the shape of the secondary field, and the difference in the frequency responses.

The transmitted primary field also creates an emf in the receiver coil, which is much stronger than the secondary, and which must be corrected for by the receiver. This is done by electronically creating an emf in the receiver, whose magnitude is determined by the distance from receiver to transmitter as set on the receiver, and whose phase is derived from the receiver via an interconnecting wire.

Field Method

The Max-Min II survey was carried out in the "maximum coupled" mode (horizontal co-planar). The transmitter and

receiver are carried in-line down the survey line separated by a constant distance (in this case 150 m) with the receiver leading. Three transmitter frequencies were used: 444 Hz, 1777 Hz and 3555 Hz. The transmitter and receiver are connected by a cable, for phase reference and operator communication.

PERSONNEL AND EQUIPMENT

The survey was conducted by Guy Thibeault Exploration Services of P.O. Box 1670, Timmins, Ontario, who provided 3 men to complete the survey. The line-cutting was done by Henry T. Gonzalez.

The electromagnetic survey instrument was an Apex Parametrics Max Min II horizontal loop (Slingram style system). Specifications for this instrument may be found in Appendix A.

INTERPRETATION

A major anomalous zone was detected in the south east corner of the grid, consisting of sub-parallel conductors of varying weak to moderate conductivity. These have trends ranging from roughly northeasterly to easterly. The anomalies suggest that there is also considerable disseminated mineralization in the area. Another moderate anomaly was detected at 225S on Line 20W, trending ENE and WSW, 100 metres in each direction.

There is a series of anomalies at 500S on Line 25W, 26W, and

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A follow-up program of diamond drilling is recommended, the details of which would be decided based on the results of the IP and geology. An estimate of the diamond drilling required would be 1200 feet to 1500 feet, at \$30./foot (\$36,000. to \$45,000.) plus mobilization, logistics, assaying etc.

Respectfully submitted

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D. Greg Hodges, B.Sc. Geophysicist 27W, but all are weak and may be due to lake bottom clays. There are many other irregular anomalies which are almost certainly due to lake sediments.

CONCLUSIONS AND RECOMMENDATIONS

The electromagnetic anomalies detected are not conclusive enough to warrant immediate diamond drilling, but they do suggest areas of interest for further work. Induced polarization surveying of the grid is recommended, with particular attention given to the electromagnetic anomalies and the magnetic anomaly between 450S on L11W and 500N on L23W.

Concurrently with the IP should be a geologic mapping program on the land claims.

The proposed budget is:

Induced Polarization Surveying	
20 days @ \$1,400./day	\$28,000.00
Mobilization-Demobilization	
(includes air transportation)	5,000.00
Interpretation and report preparation	1,500.00
Geologic Mapping 12 days @ \$250./day	3,000.00
Subsistence 12 days @ \$75./day	900.00
Sample preparation and assaying	500.00
Report preparation and drafting	1,000.00
SUB TOTAL	\$39,900.00
Contingency 10%	4,000.00
TOTAL	\$43,900.00

REFERENCES

CAIRA, NADIA and COSTER, IAN 1984

Geological Report of the 21 claim property for J-Dex Mining and Exploration

HODGES, D. GREG 1987

Report on the Magnetometer Survey on the Raney Township Property of Goldrock Resources Inc.

CERTIFICATION

I, D. Greg Hodges, of 136 Cedar Street South, in the city of Timmins, Province of Ontario, certify as follows concerning my report on the Goldrock Resources Inc. property in Raney Township, Province of Ontario and dated July 6, 1987:

- 1. I am a member in good standing of the Society of Exploration Geophysicists
- 2. I am a graduate of Queen's University at Kingston, Ontario, with a B.Sc. (Hons.) Geological Sciences with Physics, obtained in 1980.
- 3. I have been practising in Canada, and occasionally in the United States, Europe, and Australia for the past seven years.
- 4. I have no direct interest in the properties, leases, or securities of Goldrock Resources Inc., nor do I expect to receive any.
- 5. The attached report is a product of:
 - a) Examination of data included in the report which was collected on the property concerned.

Dated this July 6, 1987 Timmins, Ontario

D. Greg Hodges, Geophysicist

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EQUIPMENT SPECIFICATIONS

SPECIPICATIONS

The MP-2 has the following specifications:

Resolution

1 Gaunna

Total Field Accuracy

Range

ΊI

Internal Measuring Programme

External Trigger

Display

Data Output

Gradient Tolerance

Power Source

Sansor

Harness

Operating Temperature Range

Size

Weights

feature permits automatic repetitive readings at 3.7 seconds intervals.

Single reading - 3.7 seconds. Recycling

±1 Gamma over full operating range

20,000 to 100,000 gammas in 25

overlapping steps.

External trigger input permits use of sampling intervals longer than 3.7 seconds.

5 digit LED (Light Emitting Diode) readout displaying total magnetic field in gammas or normalized battery voltage.

Multiplied precession frequency and gate time outputs for basestation recording using interfacing optionally available from Scintrex.

Up to 5000 gammas/metre

B alkaline "D" cells provide up to 25,000 readings at 25°C under reasonable signal/noise conditions (less at lower temperatures). Premium carbonzinc cells provide about 40% of this number.

Omnidirectional, shielded, noisecancelling dual coil, optimized for high gradient tolerance.

Complete for operation with staff or back pack sensor.

-35°C to +60°C

Console, with batteries: 80 x 160 x 250 mm. Sensor: 80 x 150 mm. Staff : 30 x 1550 mm. (extended) 30 x 600 mm. (collapsed)

Console, with batteries: 1.8kg. Sensor: 1.3kg Staff : 0.6kg

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