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REPORT
ON PROPERTY OF
AMCA AMMUNITIES LTD.
NEVADA, U.S.A.

Aug. 19, 1977

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SUMMARY

Amca Industries Ltd. has recently acquired a uranium prospect in the State of Nevada. The property is readily accessible and facilities necessary for a mining operation are available.

The property, which consists of approximately 490 acres, is in a favourable geological environment which consists of a sedimentary basin surrounded by granite hills. The radioactive occurrences are found in limestone and the yellow uranium mineral carnotite can be observed in the pits found on the property.

The uranium occurrences appear to be quite widespread on the claim group and some reconnaissance spectrometer measurements over the occurrences have indicated readings of 10 to 30 times background. Thorium appears to be non-existent in the area. Preliminary sampling of the pits has given values of 0.185% U_3O_8 and 0.038% U_3O_8.

Although only limited exploration has been carried out on the property, there are indications of a widespread distribution of uranium-bearing material. This, combined with the favourable geological environment, warrants a full scale exploration program on the property. The recommended program is in two stages and includes spectrometer surveys, geological mapping, trenching, and sampling, followed by percussion and diamond drilling. The total estimated cost of the two stage program is $50,000 and further expenditures should depend on the results obtained.

REPORT

ON PROPERTY OF

AMCA INDUSTRIES LTD.

NEVADA, U.S.A.

INTRODUCTION

Amca Industries Ltd. has recently acquired on the basis of radioactive occurrences, a uranium prospect in the State of Nevada, U.S.A. The increased demand for uranium has accelerated exploration in the Southwestern United States which is the major uranium producing area in the U.S.

The following report describes the property held by Amca Industries Ltd. and makes recommendations for the exploration of the property. The property has been examined by Peter Ferderber of Prospecting Geophysics Ltd. in May of this year and this report is based on his examination and the writer's experience in Nevada from previous work.

PROPERTY AND LOCATION

The property is referred to as the Judy claims and is situated in Lincoln County in the southern part of Nevada, as shown on Map No. 1. It consists of 24 contiguous lode mining claims of approximately 20 acres each, recorded as Judy Nos. 1 to 24 inclusive, as shown on Map 3.

ACCESSIBILITY AND FACILITIES

The Judy group of claims is accessible via a gravel road through ranch country. The closest town is Sunside, approximately 15 miles distant, and Las Vegas is some 130 miles due south.

Most of the facilities including water, power, and transportation that are necessary for a mining operation are readily available.

HISTORY

Uranium exploration in Nevada was conducted in the 1950's and early 1960's but consisted mainly of excavation of pits and bulldozer stripping with only minor drilling. Since no deposits were found at the time, uranium exploration in the State has remained fairly dormant until recently. The increased demand and high prices for uranium has accelerated exploration and numerous old uranium occurrences are being re-evaluated and new ones are being found.

The Judy claims were held by Karl F. Meyers, a Prospector-Developer in the mid-1950's. In 1957 five percussion holes were drilled on the property but since that time the property has been dormant and the claims came open. Recently Mr. Meyers again staked the claims and they have since been acquired by Amca Industries Ltd.

GEOLOGY

The uranium deposits found in the Southwestern United States are in sedimentary rocks that occupy a good portion of this area. Some uranium has been found in the granitic rocks but these tend to be erratic although the granite is believed to be the source of much of the uranium.

The property held by Amca Industries Ltd. is within a sedimentary basin surrounded by granite hills. There is very little geological information available on the area but it seems likely that granite, which is probably of Cretaceous age, forms the basement rocks of the basin on which the younger sediments were deposited. Under such conditions the most favourable area for uranium deposition is usually in the vicinity of the granite-sedimentary contact. At this stage, there is no information available as to the location of the granite-sedimentary contacts in relation to the claim group.

The Judy claim group appears to be largely underlain by limestone which in some cases is quite siliceous. The uranium occurrences on this property are in the limestone and visible yellow carnotite is found in the pits examined.

DEVELOPMENT

As mentioned earlier, only limited exploration has been carried out on the Judy claim group. This work has included some preliminary scintillometer surveys, a small amount of trenching, and a few percussion drill holes.

The earliest known exploration was carried out in the mid-1950's. Radioactivity is found in two pits that were put down about 70 feet apart. There are no assays available from any early sampling done but a percussion drill hole put down in 1957 in the vicinity of the pits is reported to have intersected 10 feet that gave estimated values ranging from 1.0% to 2.0% U308 using radiometric logging. Four other percussion holes were drilled at the same time on different parts of the property but there is no information available on the results.

The two pits mentioned above were checked using the spectrometer and were sampled by Ferderber during the examination. No. 1 pit, which is located 50 feet west of the drill hole, is about 4 feet by 5 feet and gave total counts up to 9,000 c.p.s. with uranium counts up to 75 c.p.s. The No. 2 pit, located 75 feet north of the drill hole, gave total counts ranging from 3,000 to 5,000 c.p.s. and uranium counts of 35 to 50 c.p.s. The thorium count was negligible in both pits.

Sampling carried out by Ferderber consisted of chip samples from each pit with that from No. 1 pit assaying 0.165% U_3O_8 while No. 2 pit gave a lower value of 0.038% U_3O_8.

CONCLUSIONS

The Judy claim group is in a geological environment that can be regarded as favourable for uranium mineralization. Although exploration has been limited, uranium occurrences have been found within the sedimentary series and the radioactivity appears to be fairly widespread. This suggests the possibility of a large tonnage deposit.

On the basis of the favourable geology and the results available to date, the property is regarded as a good prospect warranting exploration for economic concentrations of uranium.

RECOMMENDED EXPLORATION PROGRAM

Previous exploration has been limited and confined to a few known uranium occurrences. Since the entire property

appears to be geologically favourable, the initial program is designed to explore all of the ground with a second stage of detailed exploration to cover the favourable areas outlined.

STAGE 1

(a) Picketed lines at 200 foot intervals with stations at 100 feet over the entire property. Approximately 24 miles of line would be required.

(b) Spectrometer survey along all lines using a portable Gamma Ray Spectrometer. Readings should be at 50 foot intervals with measurements for uranium, potassium and total count.

(c) Geological mapping of the property using the network of cut lines as a base.

STAGE 2

(a) Trenching, sampling and assaying where feasible at locations with significant radioactivity outlined in Stage 1.

(b) Percussion drilling of all occurrences revealing significant uranium values, as well as the radioactive occurrences that could not be investigated by trenching.

(c) Limited diamond drilling program for geological information and sampling.

COST ESTIMATES - EXPLORATION PROGRAM

STAGE 1

(a)	Line cutting	$ 2,500	
(b)	Spectrometer Survey	5,000	
(c)	Geological mapping	2,500	$10,000

STAGE 2

(a)	Trenching, sampling and assaying	$ 5,000	
(b)	Percussion drilling - estimated 2,000 feet	16,000	
(c)	Diamond drilling - estimated 800 feet	16,000	
	Contingencies	3,000	$40,000
	Total:		$50,000

All cost estimates above include supervision, engineering, living and mobilization costs.

Respectfully submitted,

PROSPECTING GEOPHYSICS LTD.

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Montreal, Que.
Aug. 19, 1977.