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# Ascot Resources Ltd.

## SMOKER & DA VENT PROPERTIES, *British Columbia*

### Project Summary

#### Summary

Ascot Resources has signed two Letters of Understanding with SuperGroup Holdings Ltd. (SGH) to acquire a 100% interest in the Smoker and DA Vent properties. The properties are located approximately 15 km southwest of Cranbrook, B.C. in the Moyie Lake area. Large mineralized vent complexes hosted in lower Proterozoic Aldridge Formation sediments have been discovered on both properties. These vent complexes represent high priority targets for sediment hosted massive sulphide deposits analogous to the Sullivan Mine.

#### Geology

The Moyie Lake area is underlain mainly by sedimentary rocks of the Middle Proterozoic Purcell Supergroup. The units are deformed into a broad, northeasterly plunging anticline that has been dissected by reverse and high-angle normal faults. In the area of the Smoker and DA Vent claims, Moyie mafic sills intrude Middle Aldridge Formation siliceous sediments. The mafic sills are interpreted to be related to Sullivan-type mineralization in the region. A thick package of fine siliceous and carbonaceous sediments including the Creston, Kitchener, and Van Creek Formations overlie the Aldridge Formation.

The Aldridge Formation stratigraphy underlying the Smoker and DA Vent properties is host to the Sullivan sedimentary exhalative (sedex) zinc, lead, silver deposit, located 30 kilometres to the northeast. Total production plus reserves at the Sullivan Mine is 165 million tons of ore averaging 5.9% zinc, 6.3% lead and 39 g/t silver. Sedex type deposits like the Sullivan are interpreted to have formed at the ocean floor within relatively shallow depressions adjacent to a source of rising metal-rich hydrothermal fluids. These fluids discharge onto the sea floor and their interaction with seawater creates the vent complexes, associated alteration, and bedded zinc-lead sulphide ores. Massive sulphide and mineralized quartz veins also form proximal to the vent as the hydrothermal fluids pass along structural breaks. The hydrothermal vent complexes are recognizable in the sediments well above and below the ore deposits and thus are key to locating areas of high exploration interest for this deposit type.



Smoker & DA Vent Properties - Regional Geology and Metallogeny

#### Mineralization

Previous drilling in the Moyie Lake area has focused on exploration of Sullivan-aged stratigraphy and vent features. Drilling on the Fors vent, located 2.5 km southeast of the Smoker property, encountered an intersection of stratiform mineralization grading 9.8% lead, 1.3% zinc and 100.09 g/t silver over one metre. In addition to Sullivan-time mineralization, drilling consistently identified other mineralized intervals within the upper Middle Aldridge stratigraphy such as the Hiawatha disseminated sulphide horizon which has the potential to be a productive unit.

### Property Descriptions

**Smoker** 0826 SW 041

The large 400 by 100 metre vent on the Smoker Property is composed of a breccia of Aldridge sedimentary rock fragments in a matrix of siltstone. The breccia contains zones of weak to abundant disseminated galena, sphalerite and pyrrhotite associated with intense albite and sericite alteration.

**DA Vent** 0826 SW 067

On the DA Vent Property the vent complex outcrops over 450 by 100 metres. Aldridge fragmental rocks similar to those at the Smoker Vent display variable albite, sericite and tourmaline alteration. Sulphide mineralization including pyrrhotite, sphalerite and galena occurs locally as disseminations.

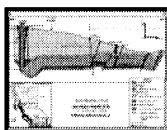
Sulphide mineralogy and alteration assemblages observed at the Smoker and DA Vent Properties are consistent with Sullivan-type lead-zinc-silver mineralization.

### Agreements

The terms of the signed Letters of Understanding grant Ascot, subject to regulatory approval, the option to earn a 100% interest in both properties by making total cash payments of \$7,000, committing to first year expenditures of \$85,000, and distributing 100,000 shares of the Company to SGH. After year one, Ascot may vest its 100% interest in the two properties by completing staged exploration expenditures over the following four years totaling \$1.7 million, and distributing an additional 300,000 shares of the Company to SGH. The properties are each subject to a 2.5% NSR which may be reduced at any time to a 1% NSR by making a one time cash payment to SGH of \$500,000 for each property

### Proposed Work

The first stage of exploration including detailed geological mapping and sampling of the vent complexes on both properties was completed by mid-October 1998. Two short preparatory drillholes of 250 metres each were completed on the Smoker property and provided crucial information on vent geometry, alteration and mineralization. The information will be invaluable in planning a 1,000 metre deep hole targeting the deeper sedex target which will be completed in spring, 1999.



Smoker Property - Cross-section

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