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Province of
British Columbia

Ministry of
Energy, Mines and
Petroleum Resources

MEMORANDUM

To: V. A. Preto

Date: February 1, 1983

PROPERTY FILE

Our File:

008760

RE: FIELD VISIT TO NAGYVILLE GOLD PROPERTY, RHYOLITE RESOURCES INC.

On the afternoon of Saturday, January 29, I spent approximately three hours visiting the Nagyville Au/Ag prospect at Doctor's Point on the west shore of Harrison Lake. The visit was at the invitation of Jon Stewart, president of Rhyolite Resources. I was guided on the tour by Geoffrey White, Stewart's stepson, who is presently supervising work on the property. Although the people at the property had not been told that I was going to visit, they were very receptive and fully cooperative when I arrived. George Nagy, from whom the claims were optioned, is presently at work on another property north of Harrison Lake. Rhyolite is presently attempting to go public on the Vancouver Stock Exchange so they are being swamped with visitors from Howe Street and representatives of mining companies. Stewart has staked a large belt of new claims stretching several kilometres north and south of the original Nagy property to protect their position.

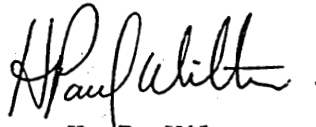
Attached is a copy of a portion of their geological map (submitted with their recent 9/10 form). The map is a compilation of mapping done by Geoffrey White and their consultant, Keith Fahrni. It shows the location of the present drilling and two (or possibly one connected) geochemical anomalies (gold and arsenic) where future drilling is planned. All three zones of interest are associated with volcanic-diorite contacts and all three have surface showings of gold-bearing arsenopyrite in quartz-carbonate veins. The present drilling consists of pattern drilling with vertical holes at 50 foot centres in the vicinity of Gerry Ray's No.2 occurrence (a large roadcut on the main road - see G. Ray's report in Geologic Fieldwork '82). Two large drills are working continuously, generating NQ core at a prodigious rate. Total drilling to date amounts to approximately 50 holes with the maximum intended limited only by available money.

A brief examination of some of the best mineralization in drill core showed it to consist of irregular thin quartz-carbonate veins containing variable amounts of pyrite and arsenopyrite and associated with zones of extensive silicification. The "ore zone" presently being drilled is reported to be about 1000' x 150' x 20' average thickness. I did not see any assay sheets or cross sections which would permit an estimate of the average gold grade over that volume, but Geoffrey White suggested it is probably about 0.15 oz./ton.

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The zone cuts across the diorite-volcanic contact, is discordant to layering in the volcanics, is apparently associated with secondary brecciation of volcanics, dips gently to the north and is open and thickening to the north. Gold assays are apparently directly proportional to arsenopyrite content. Silver assays and Au/Ag ratios are quite variable and poorly understood.

This initial visit was necessarily very brief and devoted mainly to a guided tour of surface outcrops. A more leisurely visit of at least two or three days is recommended and would allow time for a systematic examination of drill core and some independent surface mapping and sampling. This is an interesting new gold prospect with potentially great significance for precious metal exploration in the whole Harrison Lake belt. The present owners are exploring it in a rather unorthodox manner and could probably benefit from some objective geological input.



H. P. Wilton

HPW/bg

cc: A. Panteleyev
D. Alldrick
G. Ray
B.M. Dudas - Vancouver