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## EXECUTIVE SUMMARY

## PROPERTY FILE

The Thumb Peak Project (Smaby claims) is a Cu-Zn-Ag-Au volcanogenic massive sulphide prospect located near Bella Coola in the mid-coastal region of British Columbia. The Smaby claims are 100% owned by the Hardscrabble Prospecting Syndicate and under option to Sand River Resources Ltd. who can earn 100% interest in the property under terms of an option agreement dated January 20<sup>th</sup>, 1998.

The property is located 90 kilometres north of Bella Coola and 150 kilometres south of Smithers, and accessible by helicopter from Bella Coola, Smithers or Houston. Logging roads, extending from the Kimsquit Logging Camp to within 7 km of the property.

The property is underlain by an east-west striking, steeply dipping, >3km thick belt of dominantly volcanoclastic rocks, including a coarse agglomeritic rhyolite package, interpreted to belong to either the Jurassic Hazelton Group or the Cretaceous Gambier Group. Nine base and/or precious metal surface showings were discovered on the property through previous surface work programs between 1984 and 1995. The 1998 diamond drilling program, on which this report is based, focused on drill testing four of the nine surface showings.

Five diamond drill holes, totaling 790 metres were completed on the property between September 21 and October 3, 1998. The drill program tested four of the nine surface base and precious metal showings including the Discovery zinc showing, Prospector zinc showing, Main Ridge Cu-Ag-Au showing and the Dick Cu-bearing magnetite showing. Results are briefly summarized below:

- The Discovery and Prospector showings were not intersected downdip and may appear to be vein or skarn-like mineralization that was potentially developed during emplacement of the numerous mafic-intermediate dykes. Extensive geochemical alteration typically associated with "footwall" VMS deposits is notably absent in drillcore.
- Significant surface Cu-Ag-Au mineralization at the Main Ridge showing was intersected in drill core over a 35 cm thick interval (7.52% Cu, 172 g/t Ag and 4.46 g/t Au). Mineralization appears in part to be related to quartz veining that may be closer related to late, localized hydrothermal activity brought on by extensive mafic and lesser felsic dykes and/or related to the emplacement of the nearby dioritic intrusive(s).
- Drilling at the Dick showing appears to have missed the targeted felsic-intermediate contact due to projected shallower dipping stratigraphy, faulting, and downhole steepening of the drill-hole. The area of the Dick showing remains a highly attractive VMS target on the property.

Although significant massive sulphide intersections were not realized during this first round of drilling, the property is situated in an attractive proximal felsic volcanic environment that has not yet been adequately tested for VMS-type deposits (and potentially shear-related gold systems). Based on the 1998 drilling results and current interpretation, follow-up exploration on the Thumb Peak Project is well warranted. Future work programs should concentrate in and around the main felsic centre and the Dick showing, as well as the two gold targets which remain to be better defined.