

SILEURIAN CHIEFTAIN MINING CO. LTD.

103P113 Roundy CK

ADDITIONAL ASSAY RESULTS - Latest assays from the underground development program in progress at Sileurian Chieftain Mining Company Limited's Alice Arm molybdenum property in northwestern B.C. continues to return good grade molybdenum values.

Assays for an 83-foot section in the East crosscut average 0.47% MoS₂ which show a marked improvement over the first 50 feet in the crosscut which averaged 0.35% MoS₂. Overall average for the 133 foot section of the east crosscut average 0.425% MoS₂. The East crosscut has been advanced an additional 53 feet. This section is currently being assayed and the heading is continuing to drive in mineralization.

The West crosscut has been advanced 170 feet and appears to be driving underneath the high-grade zone. It is being continued towards a target area where surface drilling cut high-grade values. The first 40.5 feet of the West crosscut averaged 1.17% MoS₂ from chip sampling of backs, but values intersected since are below ore grade. The company is planning to drive a short raise from the West crosscut to determine the extent and direction of the high-grade zone in this area.

The Main Drift has been halted 330 feet from the portal after cutting through the high-grade zone. Values for the 114 feet to where the crosscuts were started average 0.08 MoS₂, with an additional 128 feet averaging 0.24% MoS₂ beyond the crosscuts.

Sileurian Chieftain is carrying out a minimum 1,500 feet of drifting and crosscutting in the current underground program which is designed to test four high-grade molybdenum zones located by surface drilling in the Sunshine Creek area of the property. A minimum 2,000 ft. of underground drilling is also being carried out. Surface diamond drilling on the Roundy Creek area, which apparently contains a separate zone, has permitted a tonnage of 8,000,000 tons averaging 0.12% MoS₂.

SILEURIAN CHIEFTAIN MINING COMPANY LIMITED

TONNAGE ESTIMATED IN
SUNSHINE CREEK AREA
NEW ADIT DRIVE UNDERWAY

- Underground work at Sileurian Chieftain Mining Co's Alice Arm property in NW B.C. indicated a minimum 750,000 tons grading 0.45% molybdenite in the Sunshine Creek area of the property, says president S.D. Anfield. A second adit, 150 ft. below the first, was collared last week at

an elevation of 900 feet and will investigate downward extensions of the mineralized zone. It encountered mineralization as soon as it was collared. The expanded underground program, recommended by consultant G. Trowsdale at an estimated cost of \$167,500, will include 1,500 ft. of lateral development work, 1,000 ft. of raising and 1,500 ft. of drilling. The tonnage indicated to date is in an area 400 ft. by 120 ft. with a depth of 180 ft. to the east of the 1050 adit level where underground work totalled 1,000 ft. of lateral development. Workings west of the adit appeared to be driven below high grade mineralization indicated by surface drilling. A raise driven up from this crosscut located the mineralized zone. Assays are awaited. Present work is confined to the Sunshine Creek area of the property. For recent progress reports see GCNL 34, 11 Feb 70 and 21, 27 Jan 70. See GCNL 61, 18 Mar 70 for recent underwriting/option agreement.

Most recent diamond drilling results from the Roundy Creek, Alice Arm, B.C. molybdenum property of Sileurian Chieftain Mining Co. Ltd. are from hole No. 7 where 8 ft., from 12 to 20 ft., averaged 8.77% MoS₂. The twelve feet of core from 10 feet to 22 feet averaged 5.88%. This 12 ft. includes lower grade sections on either side of the good grade eight feet. The results have been reported by Dr. A.P. Fawley, the company's consultant.

This work is on Sunshine Creek, a tributary of Roundy Creek and is at an elevation of 1100 feet, approximately, and is where three holes were drilled in 1960. As shown in the map below, some 9 holes have been drilled on a section line which cuts across Sunshine Creek and runs through an area of highgrade mineralization opened on the wall of the creek by blasting. The No. 7 hole was drilled 25 feet west of the section line on which the intersections on the map were obtained and therefore it does not appear on the map.

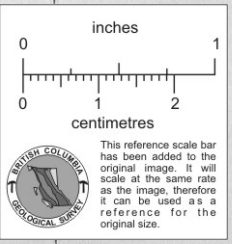
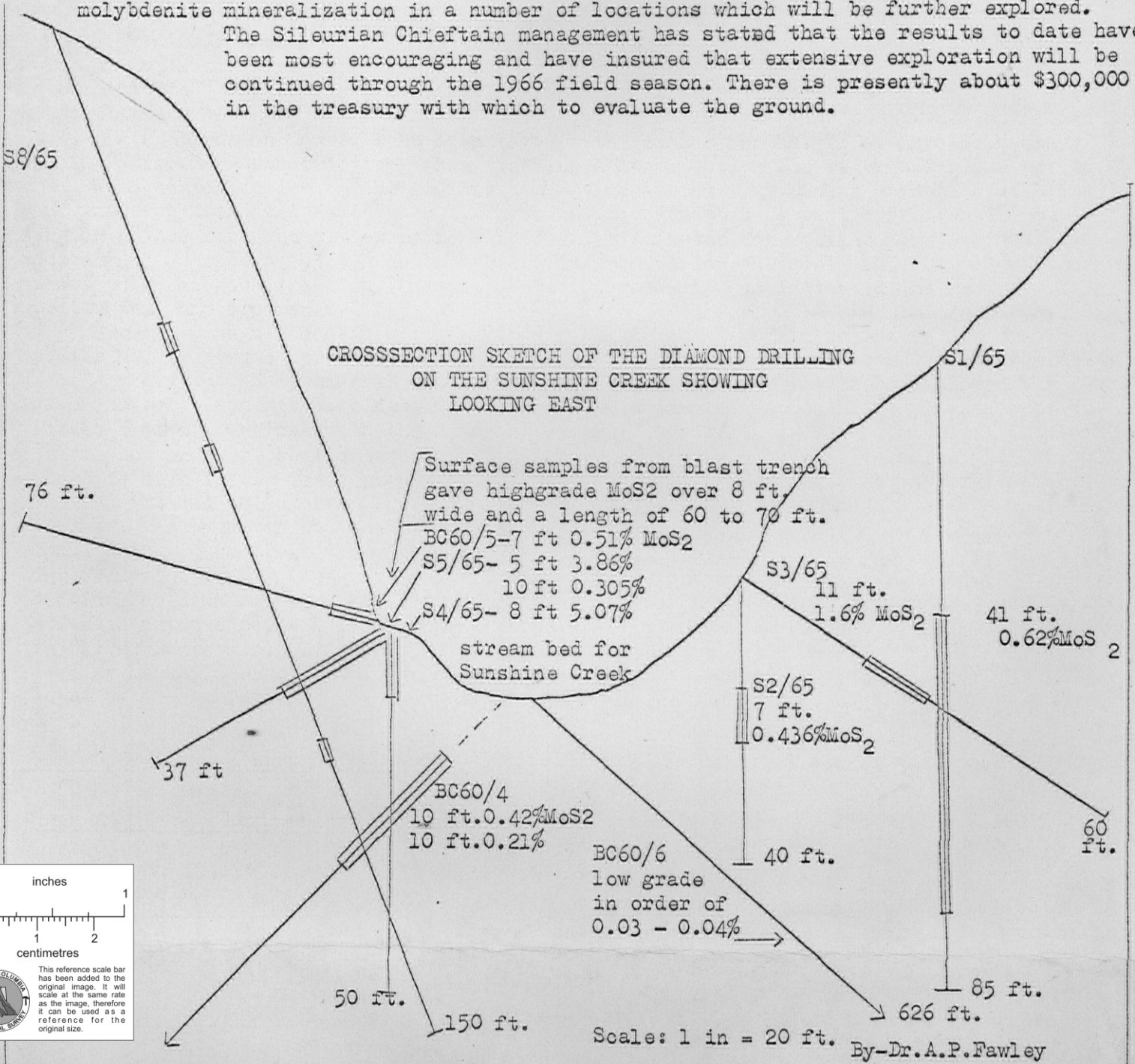
Hole No. 6 was drilled from the same location as No. 7 but at a different angle and intersected low grade to a trace of molybdenite mineralization.

Hole No. 8 has been completed to 150 feet, on the section line of the other holes, and it cut low grade to a trace of mineralization. Hole No. 9 is now being drilled from a location some 50 feet east of the section line.

At present there are two X-ray diamond drilling machines on the property, one of which is capable of drilling to a maximum depth of 300 feet, and a standard larger diamond drilling rig. The operation is currently being serviced by helicopter and a trail has been cut to the shore of Alice Arm some two miles from the workings. It is expected that work will continue in the area of the Sunshine Creek showings until snow fall in November or December then crews will be moved to the Roundy Creek showings at a lower elevation where earlier work obtained a grade of 0.15% MoS₂ across some 300 feet in a drill hole.

In the Sunshine Creek showings area general prospecting has discovered good grade molybdenite mineralization in a number of locations which will be further explored.

The Sileurian Chieftain management has stated that the results to date have been most encouraging and have insured that extensive exploration will be continued through the 1966 field season. There is presently about \$300,000 in the treasury with which to evaluate the ground.



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GOOD GRADE MOLYBDENUM VALUES RECEIVED FROM UNDERGROUND DRIVES RESULTS INDICATE EXTENSIONS TO LIMITS SUGGESTED BY DRILLING. CURRENT FINANCING COMPLETED

Drifting and crosscutting is continuing on a seven day basis at Sileurian Chieftain's molybdenum property located four miles west of the B.C. Molybdenum operating mine of Kennecott Copper Inc., at Alice Arm, in the northwestern corner of B.C. Assay results from back and muck samples give: 40 ft. of 1.17% MoS₂ in the west crosscut; 50 ft. of 0.35% MoS₂ in the east crosscut; 128.5 ft. of 0.24% MoS₂ in the drift plus 114 ft. of 0.08% MoS₂ in the drift.

Following an extensive program of diamond drilling and road building in the summer season of 1969, the adit level was faced up in mid-November and to 23Jan70 had been advanced a total of 330 feet. The level was driven from an elevation of 1040 feet on Sunshine Creek, about 4 road miles from the Alice Arm deep sea dock facilities. The underground working is directed to test the Sunshine Creek ore zone tested by diamond drilling from surface over the past few years. On the basis of these holes, the company consultant reported that four high-grade molybdenum zones had been located and recommended the present program to be a minimum of 1,500 feet of drifting and crosscutting plus a minimum of a further 2,000 feet of drilling from underground. The results to date suggest that at least one of the high-grade zones is probably larger than indicated by the drilling. Additional work is planned to check the extent of the additional mineralization.

Two of the best holes drilled in the area have been S-17 which cut 165 feet of 1.78% MoS₂, and holes S-26 which cut 191 feet of 0.492% MoS₂ from core assays and 0.914% MoS₂ from the sludge assays.

The diamond drilling program on the apparently separate zone on Roundy Creek has permitted an ore reserve estimate of 8,000,000 tons grading 0.12% MoS₂ on Roundy Creek.

As a result of recent financing received from Briden, Anfield & Co. Ltd., Sileurian Chieftain Mining Co. Ltd. currently has funds on hand sufficient for the present program. The company expects to release assay results on a regular basis as the underground program continues.

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NEW FUNDS TO PROVIDE MINING LEVEL - Further program of Sileurian Chieftain Mining Company Ltd. FOR ALL ORE DOWN TO 900 FT. POINT at its Alice Arm molybdenum property calls for a second adit at elevation of 900 ft. to investigate the downward extension of the Sunshine Creek orebody. G. Trowsdale, P. Eng., in a report dated 10Mar70, recommends that \$167,500 be provided for this adit and for underground diamond drilling to fully delimit the ore zone and provide additional information for definitive ore calculations. The new adit will provide a mining level for all ore lying above the 900 ft. point.

As noted in GCNL No. 61(70), the company has arranged new funds of \$50,000 on a firm underwriting and of an additional \$130,000 if two options on additional shares are taken up. Working capital after expenditure of \$153,784 in the 4 months to 28Feb70 was \$42,036. At that date and prior to the recent financing, Sileurian had issued 2,195,000 of its 5,000,000 auth. shs. These were all free shares.

In his new report, the consultant says that present indications are that there are at least 750,000 tons of ore grading 0.45% MoS₂ in the Sunshine Creek body currently under investigation and development. He says that, in addition to this occurrence, surface work and diamond drilling have indicated additional deposits in the immediate area which will require further work, scheduled to be carried out when and if production is achieved from the Sunshine ore body. Also, a deposit at Roundy Creek will be investigated during production of the Sunshine body and should bolster the ore reserves and extend the productive life of the mine. Previous diamond drilling at Roundy Creek has indicated a considerable tonnage of material averaging approx. 0.25% MoS₂.

The underground workings at the 1050 elevation on Sunshine Creek are nearing completion with approx. 1,000 ft. of lateral development, and assay results from the workings indicate an average grade of at least 0.45% MoS₂. This substantiates the results obtained from the diamond drilling programs of previous years, in all a total of 93 D.D. holes.