

MEG LUNCHEON TALK - FEBRUARY 28, 1990

019048

DATE: 28 FEBRUARY 1990
PLACE: Hotel Georgia

TIME: 12 NOON
COST: \$15 at the door

Please let the people in your organization know that the next MEG talk will be on the ESKAY CREEK PROJECT. The abstract is attached.

Regards,

D.N. leNobel
Chairman, MEG Speakers Committee

EXPLORATION UPDATE - ESKAY CREEK PROJECT - ABSTRACT

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PRIME EXPLORATIONS LTD.

The Eskay Creek Project is a gold exploration Joint Venture between Calpine Resources Incorporated and Stikine Resources Ltd., with Prime Explorations Ltd. as Project Operator. The project site is located 52 miles north of Stewart, British Columbia. Numerous widespread zones of gold and silver mineralization have been intermittently explored since initial staking in 1932; however, current exploration is focused upon definition drilling of a new discovery in the northern portion of the property.

The discovery area is underlain by Middle Jurassic Hazelton Group volcanic and sedimentary rocks. Within the drill area, the stratigraphic section is subdivided into a Hangingwall Unit of pillowed andesite flows, breccia and interbedded mudstone. Well-preserved fossils indicate a predominately subaqueous depositional environment. Metamorphic rank is subgreenschist.

Exploration diamond drilling has delineated a mineralized body - the #21 Zone, with a net strike length of 4400 feet, tested downdip in excess of 800 feet, open both along strike and to depth. Three significant subzones, the South, Central and North are recognized. Significant high grade mineralization occurs within the Contact and upper Rhyolite Units, and is underlain by a lower grade mineralized stockwork in the immediate footwall. Mineralization is zoned along strike, characterized by Sb, As and Hg mineral assemblages to the south and Zn, Pb and Cu to the north. A vertical metal zonation is also present, expressed as a systematic increase in Au, Ag and base metal content upwards. Massive base metal sulphide units, containing significant Au and Ag, have been intersected in the Hangingwall Unit within the North Zone. Alteration associations include muscovite, quartz and magnesian chlorite, with minor calcite, dolomite, gypsum and barite.

Exploration success to date has been largely predicated upon systematic testing of the favorable Contact Zone-Rhyolite Units. The role of faulting, folding or shearing in localizing mineralization is not certain. Comparisons in mineralization style, metal associations and rock alteration can be made between both "epithermal" and "volcanogenic" types of precious metal deposits; however, it is unlikely that the Eskay Creek discoveries will be easily stereotyped into either model.

REVISED JB/rd 9NOV89