

RED MOUNTAIN

*A porphyry-related, structurally-hosted
precious metal deposit*



Hornblende porphyritic granodiorite of the Goldslide intrusion exposed between the camp area and Marc zone. Axinite-epidote (ax) veinlets cut the granodiorite.



Thinly bedded intermediate tuffs (Unuk River Formation?) exposed near Red Mountain summit.



Looking N over KEMESS.

EXPLORATION HISTORY

1988:

- Option agreements were made between Bond Gold Canada Inc. and stakeholders in the Red Mountain area (i.e. Chuck Kowall in 1988 and Wotan Resources in early 1989).
- Discovery of pyrite-rich float, highly anomalous in gold, at the base of jarosite-stained, 10 metre high cliffs, later called the Marc zone.

1989:

- Bond conducted aggressive exploration drilling (27 diamond drill holes) and mountaineering-style sampling programs on the Red Mountain (\$1 million) and nearby Willoughby (\$0.45 million) properties.
- In September, Bond announced that it had made a "brand new" gold discovery at Red Mountain. The best drill intersection yielded 66 metres grading 9.88 g/t Au and 49.29 g/t Ag.
- In November, Lac Minerals Ltd. acquired 65% of Bond and assumed control of the project.

1990:

- Lac's exploration program (\$2.3 million) consisted of 55 diamond drill holes using 3 drill rigs. Work focussed mainly on the Marc zone.

1991:

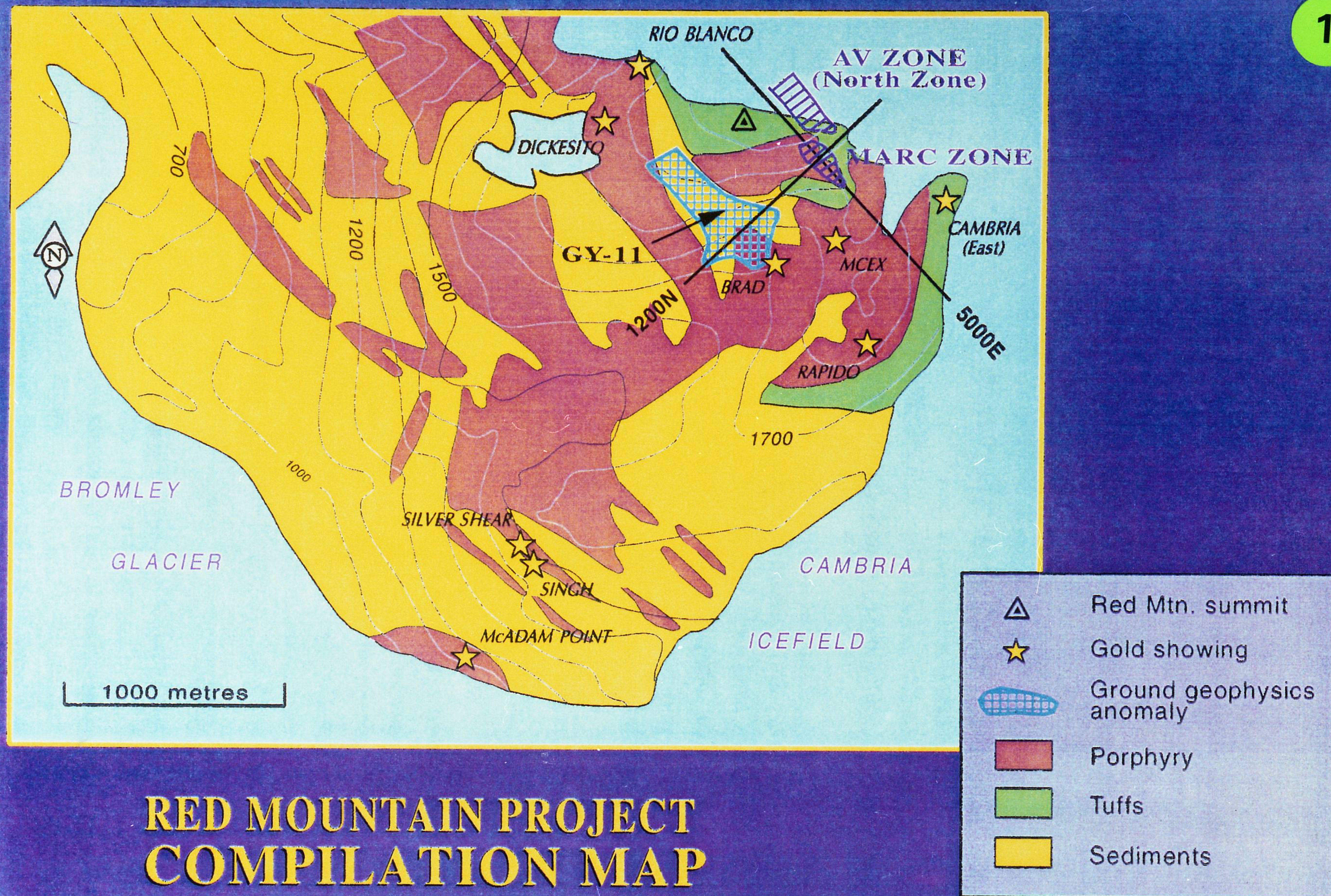
- In February, a preliminary geologic resource of 913 725 tonnes grading 12.2 g/t Au and 36.06 g/t Ag (@ 3 g/t Au cut-off) for the Marc zone was released.
- Lac conducted a regional scale mapping program, drilled 8 new holes and extended 3 previous ones for a total of 2628 metres.

1992:

- A new structural interpretation by Lac geologists was confirmed to be correct by an eleven hole follow-up drill program. This led to the discovery of a northwest extension to the Marc zone called the North zone (later renamed the AV zone after Andreas Vogt).
- The new indicated and inferred geological reserve of 2.5 million tonnes grading 12.8 g/t Au and 38.1 g/t Ag (@ 3 g/t Au cut-off).

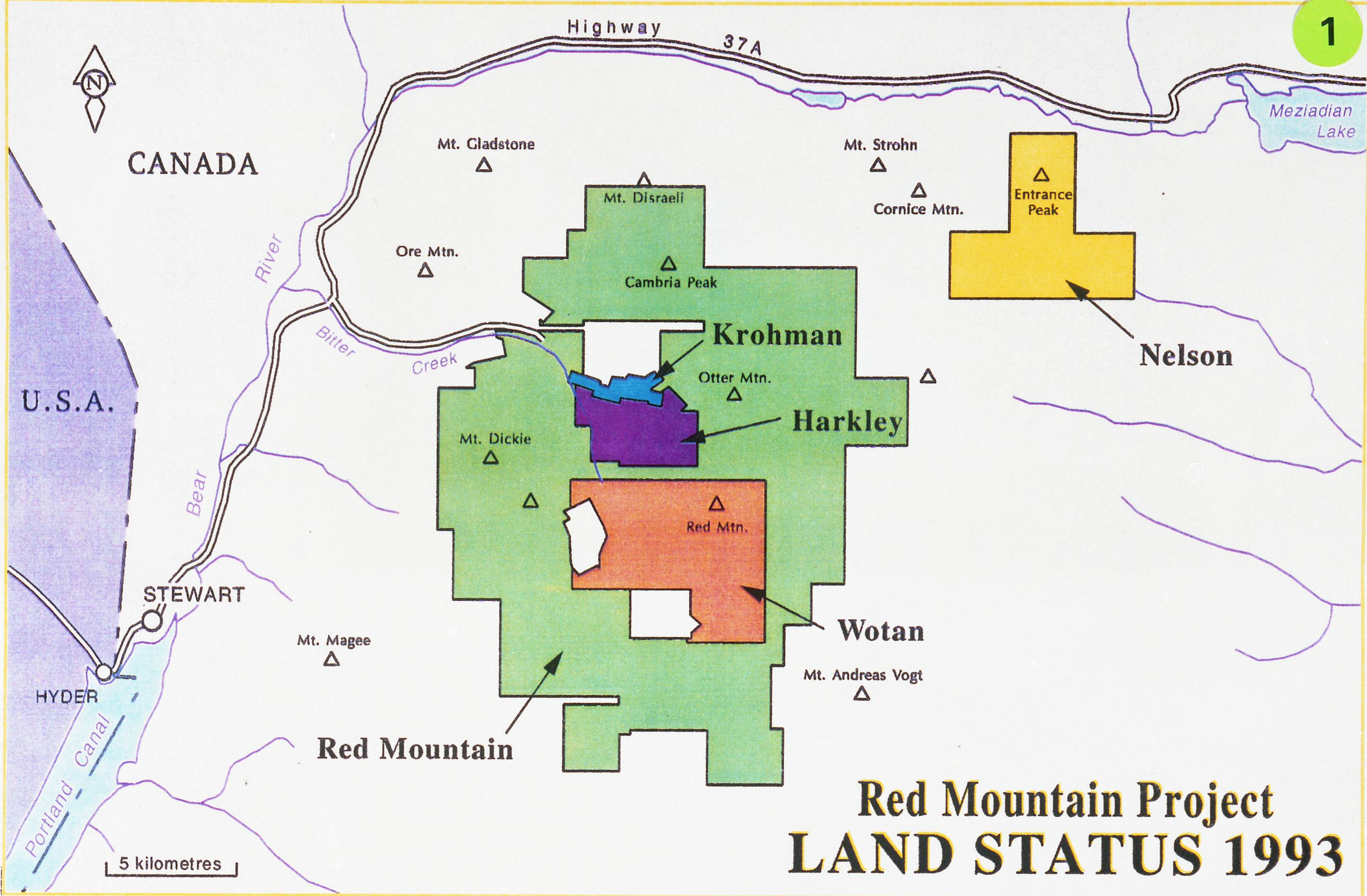
1993:

- A pre-prospectus was filed with the B.C. Mine Development Assessment Branch in May.
- The exploration program (approx. \$8.5 million) included 28 800 metres of surface drilling, and approx. 8800 metres of underground drilling plus 850 metres of underground development consisting of a decline and three crosscuts.
- Two new mineralized zones, the JW and 141, were discovered. Gold grades and widths of the new zones were consistent with those previously encountered in the Marc and AV zones.



RED MOUNTAIN PROJECT COMPILATION MAP

Figure 2-1: Red Mountain Project Compilation Map



Red Mountain Project LAND STATUS 1993

Figure 1-3: Red Mountain Project Land Status 1993



Looking northerly at Red Mountain.



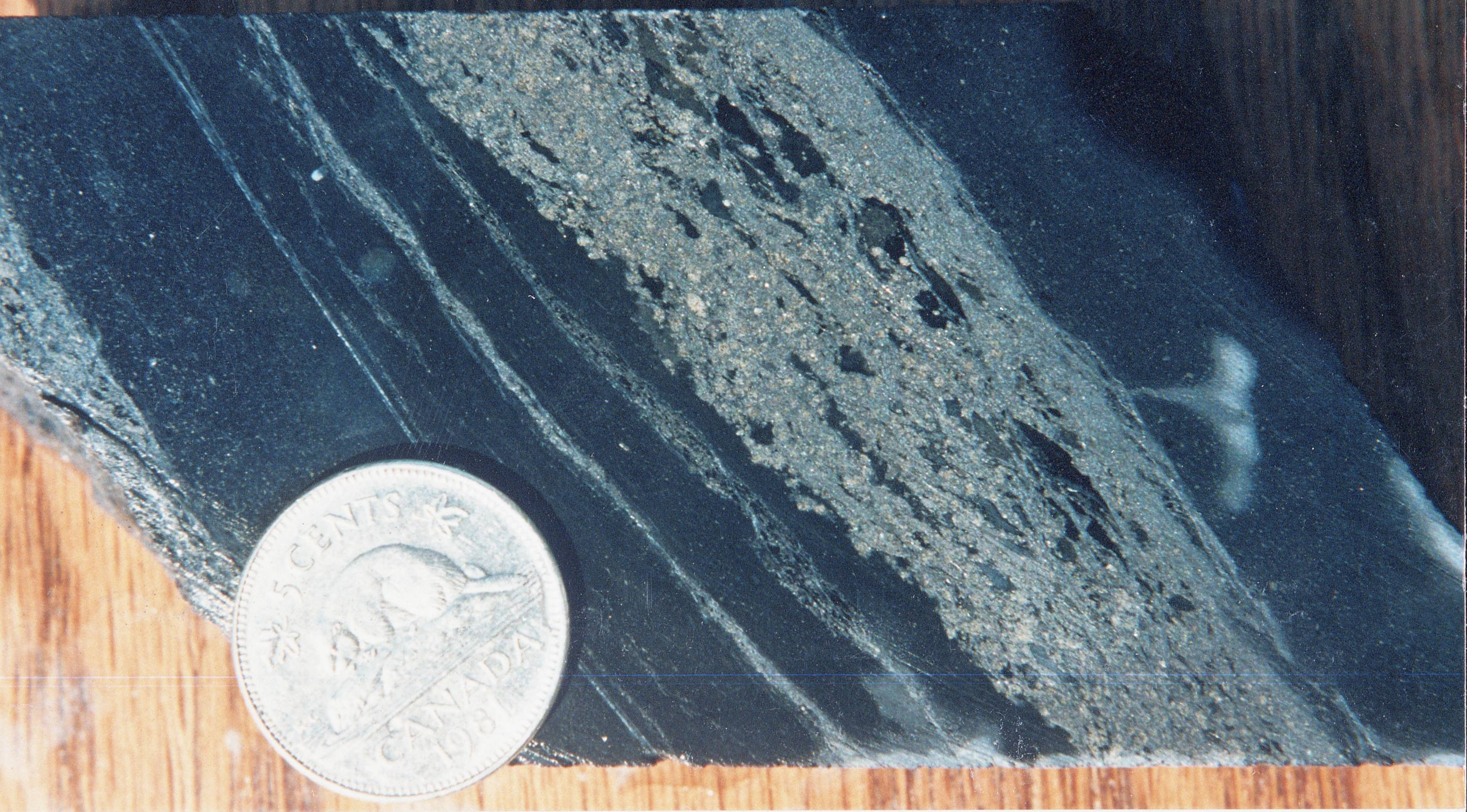
LOOKING NNW OVER ESKAY CREEK



Cut and polished samplpes from the Marc zone: a) HIGH GRADE (5 - 6 opt Au)! massive coarse-grained (recrystallized) pyrite; b) mineralized Hillside porphyry: massive coarse-grained pyrite-quartz vein plus fracture-hosted and disseminated pyrite, Marc zone; c) mineralized heterolithic breccia: medium-grained pyrite is disseminated in matrix and angular fragments of Hillside porphyry and argillite-siltstone.



Views from the Marc zone underground development: a) coarse-grained pyrite exposed on the walls of the 1100 crosscut; b) late stage auriferous, quartz-pyrrhotite filled tension gashes, 1200 crosscut; c) interbedded (tuffaceous?) argillite and siltstone with 'layers' of sulphides parallel to axial planar foliation, 1200 crosscut, Marc zone.



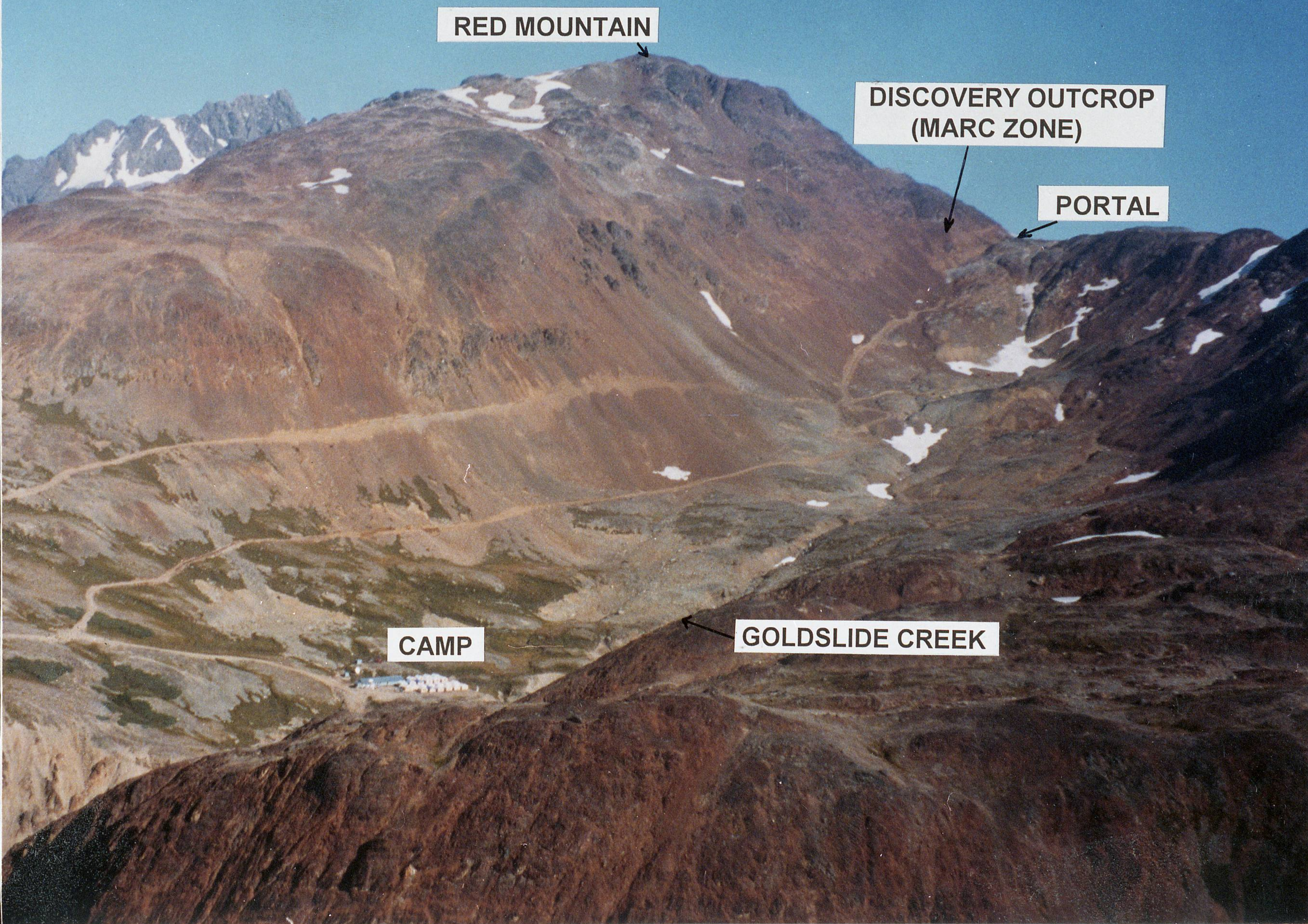
Bedded massive sulphides (sulphosalts and sphalerite) in argillite,
21B Zone, ESKAY CREEK.



Looking NW from the east end of the West zone, Sulphurets (Bruceside).



LOOKING NW OVER TULSEQUAH CHIEF



Looking northeasterly over RED MOUNTAIN

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Disrupted massive sulphides (mainly sulphosalts, sphalerite, pyrite and younger stibnite) in argillite, 21B Zone, ESKAY CREEK.

camp

drill

Looking westerly down Driftpile Creek.

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HUCKLEBERRY MOUNTAIN

MAIN ZONE

EAST ZONE

CAMP

TAHTSA REACH

Looking easterly over HUCKLEBERRY



FISH LAKE DEPOSIT

Looking N over FISH LAKE.