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PROPERTY SYNOPSIS

1. PROPERTY NAME: SAB Claims, Upper Kettle River - (Y-H 86001).

2. EXPLORATION TARGETS -

- a) Epithermal Au/Ag deposits hosted within sympathetic fault zones adjacent to a major fault zone trending north-south along the Kettle River.
- b) Stockworks and disseminated Au/Ag mineralization associated with major fault zone (topographic feature).
- c) High grade silver mineralization related to east-west trending shear zone (similar to Waterloo C.G. on Lightning Peak).

3. PROPERTY -

Consists of 105 units in 7 modified grid mineral claims covering a total area of about 6300 acres. The claims are accessible by forestry access road which is generally open year round. Access within the claims is very good as a result of roads constructed during past logging operations.

The property is located 16 Km. from the Hwy. 6, and a total of ~100 Km. by road and is situated ~55 Km. south-east Vernon, B.C.; some 17 Km. west of the Monashee Pass summit along the Kettle River forestry access road.

4. HISTORY -

Property is located to the west of the Lightning Peak & Monashee Pass mineral camps. Originally staked in 1972, the property, then modelled as a "Porphyry Type", was extensively explored while under option from 1980 to 1985.

Work to date has included reconnaissance and follow-up geochem, geophysics and geology; trenching and > 15,000 ft. of diamond drilling; bulk sampling and metallurgical testing. Several zones of gold/silver and lead/zinc/silver mineralization have been encountered and these have been partially explored. Exploration efforts to date

have determined that at least three Epithermal Au/Ag Zones exist on the property - these remain virtually unexplored to date as does their relationship to the other known gold-silver mineralized zones on the property. Prior to 1984, geologic interpretations on the property had not recognized the epithermal potential and no significant work was completed on the property thereafter.

In 1984 an independent consulting engineer recognized the Epithermal Vein potential. A report was prepared, for the previous optionors, in late 1984; which recommend that a detailed geophysics (I.P./Resistivity) surveys and structural mapping of the geology be conducted to target and orientate diamond drill holes that will test these epithermal zones (the two phase budget recommended expenditures of up to \$1,775,000).

This program was not undertaken by the previous optionors as a result of their curtailment of all mining exploration activities. After a two year hiatus, the property was returned to the prospectors, as a result of non-compliance with terms of the option agreement.

Data compilation and minor physical work have been conducted since 1985. Previously discovered high grade silver mineralization associated with an east-west shear zone was recently sampled yielding ~21.6 o.p.t silver across 6.5 metres (including 2 m. of 50.82 o.p.t. silver).

5. EXPLORATION COSTS/BUDGETS -

To date > \$1,250,000 has been spent on the property mostly directed towards exploring for a large tonnage/low grade deposit and on the testing of several small high-grade vein occurrences.

A consultant's report recommending a \$790,000 two phase program on the property was prepared in 1989. Phase I expenditures of \$290,000 was recommended. A subsequent Phase II, based on success in Phase I, recommends additional funds up to \$500,000 be spent on the property.

6. PROPERTY POTENTIAL -

Three types of targets exist:

- three (3) closely related, potentially high grade Au/Ag epithermal deposits which could result in up to a 500 ton per day underground mining operation. Grade potentials of ~0.5 oz. Au per ton.
- a large tonnage/low grade (> 1 million ton deposit amenable to bulk or open pit mining methods. Grade potentials ~ 0.1 oz. Au per ton.
- a small tonnage higher grade underground mining operation in the vicinity of one or more of the partially explored mineralized zones related to the north-south and/or east-west trending fault structures. Grade potentials ~ 0.5 oz. Au per ton.

7. PROPOSAL-

The owner would like to option the property to a publicly trading company (VSE or TSE) or major mining company.

Said company could gain a 50% interest by providing the next \$750,000 of exploration expenditures plus cash payments of \$250,000 (or cash and stock) over a period of 5 years.

The project could thereafter be joint ventured 50/50 (the present owner to take its portion public) or a new company could be started to fund further development.

This project is ideally suited for the expenditure of significant "Flow Through" funds during the fall and early winter ~~of 1988-89.~~

Proposed operator: Y-H Technical Services Ltd. under the direction of a Geological Consultant with a strong background in exploration for Epithermal Type Deposits.

