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1988

TO: CHARLES E. PAGE \*  
JOUTEL RESOURCES LTD.

DATE: November 24, 1988

SUBJECT: 1988 RESULTS, REDCLIFF/MONTROSE PROPERTY,  
STEWART, B.C.

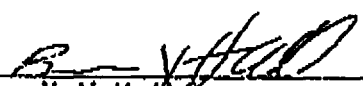
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A work program consisting of trenching, soil sampling, geological mapping, linecutting and diamond drilling was completed on the Redcliff-Montrose property. In total approximately \$240,000 was expended, the bulk of which was taken up by a 3,000 foot diamond drill program.

Three drill holes were completed below the old workings of the Redcliff Mine. The first two holes (88-R-1 and 2) were intended to intersect some high grade Cu-Au mineralization beneath the northernmost extent of the known mineralizations. Assays from an old stope graded 8.96% Cu and 0.49 oz/ton Au over 9 feet. The first hole, 88-R-1, intersected the zone approximately 50 feet below the old workings and contained 5.2 feet of massive pyrite-chalcopyrite mineralization which graded 4.00% Cu and .057 oz/ton Au. The second hole (88-R-2) intersected 29.9 feet of massive pyrite-chalcopyrite-quartz mineralization, approximately 300 feet directly below hole 88-R-1. Assays from this zone produced one intersection containing 0.122 oz/ton Au over 3.3 feet separated by 17.1 feet of anomalous Au values, with a second intersection containing 0.100 oz/ton Au over 4.6 feet. Hole 88-R-3 was collared approximately 570 feet due south of holes 88-R-1 and 2 and was intended to test the down-dip extension of a second zone which occurs roughly in the centre of the old workings. Although this hole was heavily mineralized, only anomalous gold values were encountered.

The fourth drill hole of the program was intended to test the down-dip extension of the Waterpump zone, where chip sampling in 1987 produced a weighted average of 0.33 oz/ton Au over a true width of 30 feet. This hole encountered a number of mineralized zones; the best of which consisted of two zones containing 0.410 oz/ton Au over 3.3 feet and 0.630 oz/ton Au over 2.3 feet. Both of these zones appear to be approximately 150 feet below where the Waterpump Zone outcrops. Rock sampling on the cliffs approximately 100 feet above the Waterpump Zone produced values of 5.250 oz/ton Au and 1.908 oz/ton Au over approximately 4.5 feet. However, due to the steepness of the terrane much of the mineralization which comprises this zone could not be sampled.

Soil sampling to the south of the Waterpump Zone produced a pronounced Pb, Zn, Ag, Au anomaly which extends for at least 300 m along strike. In addition several other mineralized zones were encountered which contained gold values up to .16 oz/ton Au.

  
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Brian V. Hall, M.Sc.