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CONSULTING GEOLOGICAL ENGINEERS

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May 28, 1984

To: R.J. Cathro
R.R. Brown, J.S. Brock

From: C.A. Main

Re: Status of the Megabucks Property

The option on the Megabucks property has been dropped by Placer Development and the property has reverted to Mark Rebagliati, who wishes to vend it. Rebagliati now owns the 20 unit Megabucks claim and the 24 units (MB etc) staked by Placer. He also holds an option on the 4 units owned by E. Scholtes (and partner) on the terms of \$1000 (paid) and annual payments of \$2000, 4000, 8000, and \$10000 henceforth in perpetuity. The remaining 2 claims, which cover the discovery outcrop are held by A. Babiy who would like the same amounts as Scholtes but preferably in stock issued from a junior company.

Placer drilled 17 holes in three separate programs. The attached maps show the position of these holes in relation to geophysical data and bedrock mineralization. This drilling was confined to the original showing and Placer did not attempt exploration of any other area.

1) Deposit:

Drilling outlined a northeast trending zone of enhanced gold in bedrock. The zone has a core 40-50m wide grades over 1.0 g/t Au (up to 1.3 g/t) and which is surrounded by another 40-50m of material which grades about 0.4-0.6 g/t Au. The lateral extent is poorly defined but the higher grade core appears to be cut off about 100m to the southwest of the discovery outcrop and could extend to the northeast. In one drill hole (83-4), quartz-chalcopyrite veining, which is probably related to gold mineralization, appears to dip 60-80° to the southeast. The holes on the southeast side of the zone were angled southward, away from the higher-grade core, and Rebagliati feels that these holes may not have tested the zone adequately since the zone may have been plunging beneath the holes.

Placer found little evidence for true intrusive rocks and described most core as volcanic breccia of various types. Overburden is generally thin (5-10m) near the discovery outcrop but ranges up to 50m thick to the west.

Potential: The northeast extent of the higher grade core has not been adequately tested, possibly because this extends under Deerhorn Lake and because there are no convenient access roads on the east side of Deerhorn Creek. This could be tested to some extent from the west side of Deerhorn Lake with a fence of 50-80m rotary holes [Requires minimum of 500m].

II) Other Targets:

Along strike from the Megabucks deposit there are a series of relative magnetic highs along the flank of the two IP anomalies. These should be exhaustively tested for a continuation of similar mineralization to the Megabucks and in particular, for development of a higher grade body.

Potential: The zone is over 1600m long and should have a fence of 50-80m rotary holes every 200m. [Requires minimum of 1600m].

There is an anomalous IP and geochemical response at the southeast corner of the Megabucks claim which is the northern extension of anomalies around the Takom Zone.

Potential: This area requires wide spaced rotary drilling. [Requires minimum of 500m].

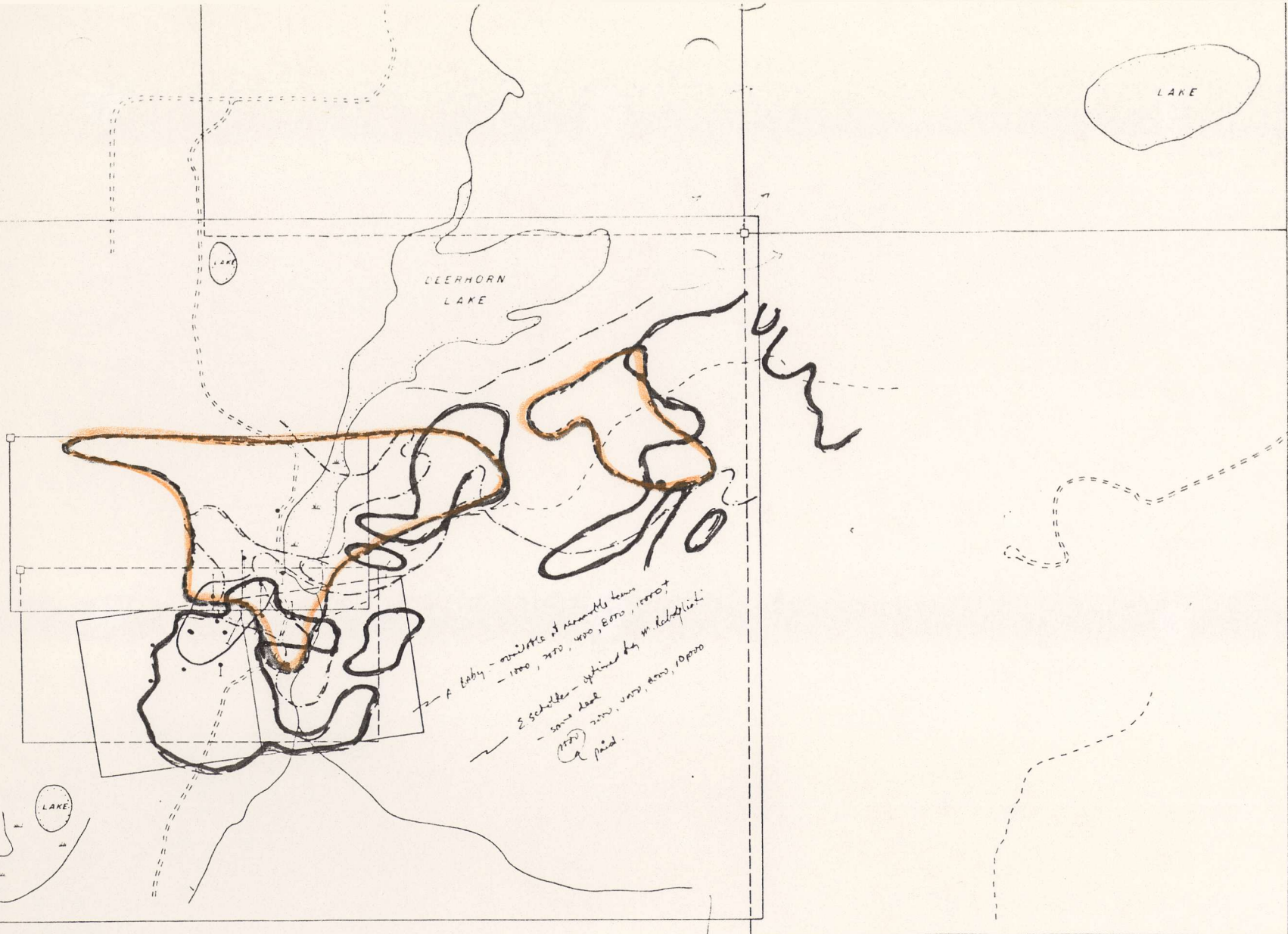
Action:

Rockridge should be cautiously interested in acquiring this ground.


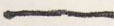
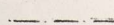


Placer has eliminated the potential for discovering an obvious higher-grade zone and although there are valid drill targets present, they are secondary and will require considerable reconnaissance drilling.

We should immediately request a copy of the Placer reports and permission to log the drill core, with the possibility that a better evaluation of the alteration, rock identification or assaying may enhance the target.

Rockridge should not be too eager to negotiate since it may be equally benifical to have some other company drilling - this cannot help but improve the Rockridge possibilities.



LEGEND

-  Gold - Copper Mineralization
-  Magnetics ≥ 1400 gammas
-  Resistivity ≥ 1000 ohm feet
-  I.P. ≥ 7 ms
-  Diamond Drill Hole

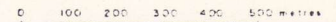
44 claim unit with title
50 claim

MEGABUCK GOLD DEPOSIT

COMPILATION MAP

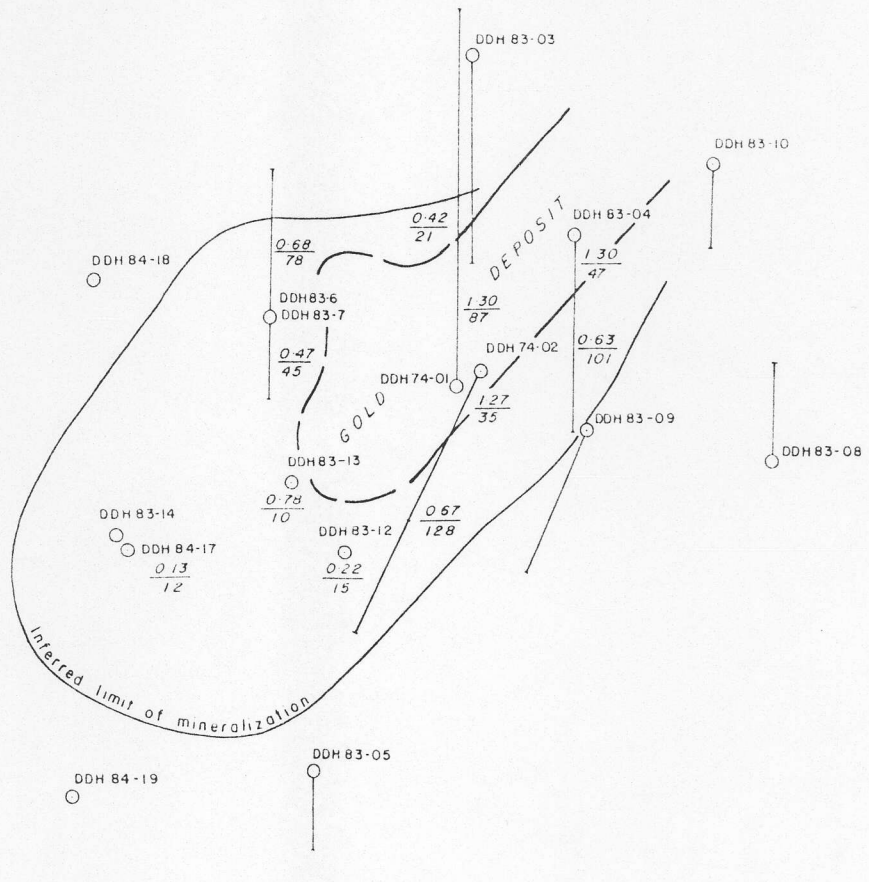
SCALE 1:10,000

NTS 93 A/6





DDH 83-11



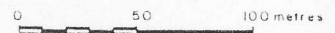
LEGEND

○ Diamond Drill Hole

$\frac{0.13}{12}$ ppm Au / metres

MEGABUCK GOLD DEPOSIT
DRILL HOLE PLAN

SCALE 1:2,000 NTS 93A/6



MEGABUCK

A

SYNVOLCANIC ALKALINE INTRUSIVE ASSOCIATED

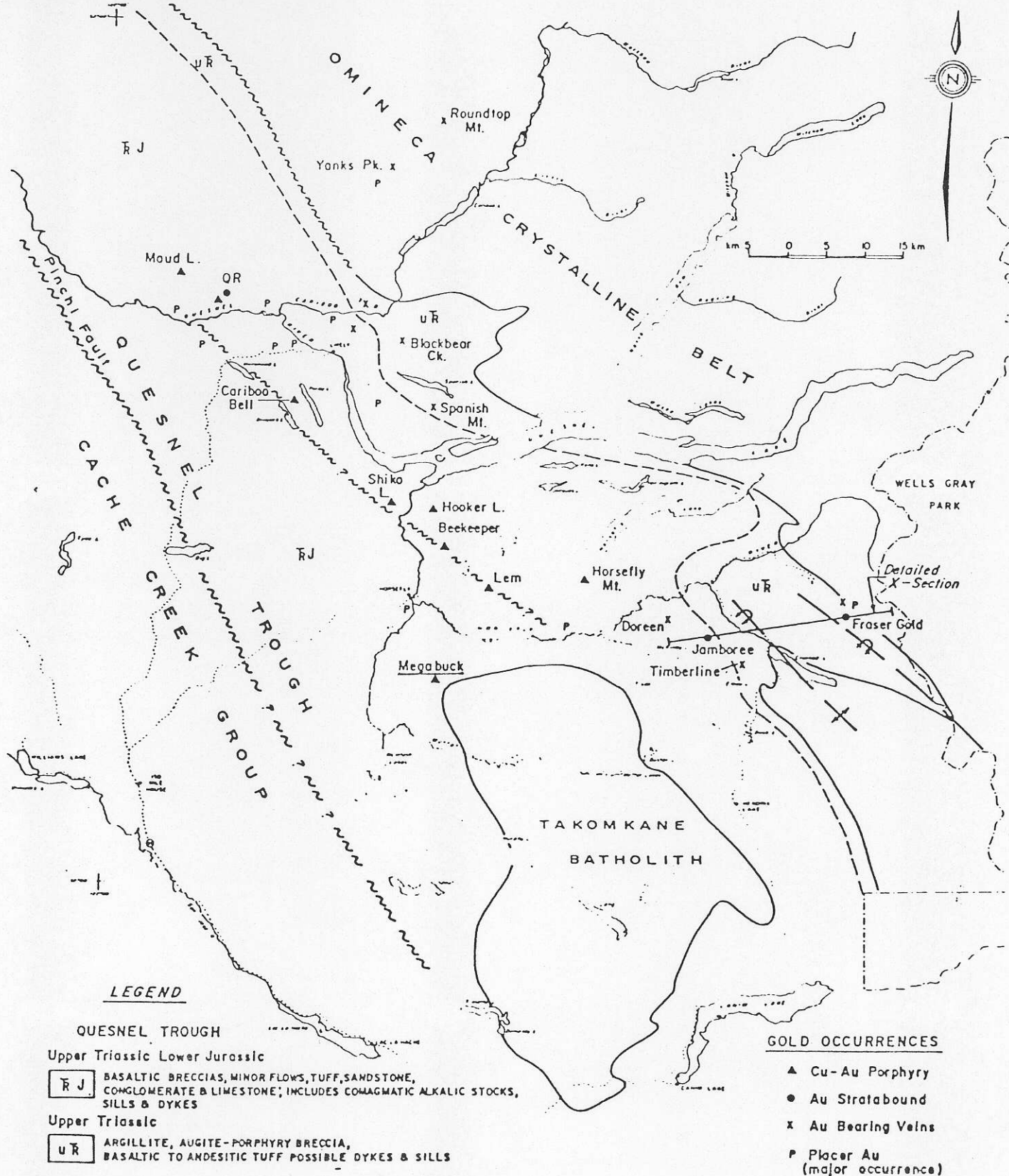
GOLD

PROSPECT

NTS 93-A/6W

C.M. REBAGLIATI, P.ENG.

Figure 1. Location map showing major tectonic features and gold occurrences



SUMMARY AND CONCLUSIONS

A synvolcanic alkaline intrusive associated gold deposit is present at Deerhorn Lake. Limited shallow diamond drilling suggests approximately 1,000,000 tons to a projected depth of 300 ft. grading 0.038 oz Au/t (1.30 g Au/tonne) which is similar to grades currently being mined at bulk tonnage operations in the U.S. The ultimate size and grade of the auriferous Megabuck breccia zone has not been ascertained. Potential for identification of a large bulk tonnage gold deposit is high.

This easily accessible precious metal deposit, in an area of high current industry activity, is an attractive exploration target. An aggressive exploration program is required to adequately test the potential of this deposit and to explore other anomalous zones on the property.

GEOLOGY

Mineralization in the Megabuck gold deposit cross-cuts a layered sequence of various coarse pyroclastic volcanic units, hypabyssal-volcanic breccia, and an intrusive breccia intersected only in hole 83-4.

Chalcopyrite most commonly occurs in quartz veinlets and to a lesser degree as disseminations. The disseminated chalcopyrite may be related to very thin microfractures. Stringers and veinlets containing chalcopyrite may occur individually, in subparallel groups, in stockworks, or in horsetail configurations. Outwardly zoned alteration envelopes comprising carbonate-sericite to K-feldspar enclose the veinlets.

Visible gold was not identified; however, because of its good correlation with copper, gold probably occurs as microscopic grains within the chalcopyrite in quartz veins. The best gold values are in sections containing numerous chalcopyrite-bearing quartz veinlets and stockworks.

Magnetite accompanies some of the chalcopyrite-quartz veins and may explain the close spatial relationship of the gold mineralization to the positive magnetic response over the deposit. If there is a genetic relationship then the north-east trending zone of magnetic anomalies, located along the

south-southeast side of the IP high, warrant drill testing.

Mineralization, as determined from drill core, shows a relatively higher grade core zone, averaging about 1.3 g Au/tonne (0.038 oz Au/ton) in the central part of the area drilled and a lower grade zone surrounding it. Angles of chalcopyrite-quartz veining to core axis in hole 83-4 suggest that 60-80° southeast vein dips with northeast strikes predominate. This attitude of auriferous veining indicates many of the angle holes, which appear to delineate the deposit, were collared in the low-grade or barren hanging wall and drilled away from the core of the deposit. Most, if not all, of the vertical holes were too short to penetrate the higher grade core. Angle holes drilled with a 310° azimuth collared along the southeast side of the deposit are required to accurately and efficiently define and assess the zone of gold mineralization along its northeast-southwest trend and to depth.

RECOMMENDATIONS

1. Drill three 200 m, -45° angle NQ diamond drill holes with a 310° azimuth along the southeast side of the deposit to accurately define and assess the potential of the zone of gold mineralization along its northeast-southwest trend and to depth.

2. Drill to evaluate the gold potential of the zone of coincident positive magnetic and IP responses located 600 m along strike to the northeast from the Megabuck deposit. The nature of this anomaly is strikingly similar to that over the deposit. Given favourable results, the intervening area along the southeastern margin of the IP anomaly would offer good potential.

3. Drill to probe the IP anomaly located to the southeast of Deerhorn Lake which also falls within the broad zone of elevated resistivity.