

EXPLORATION HISTORY & RESULTS:

1986 - Mingold initiated a program of prospecting and rock sampling of the Lower Tertiary volcanics in central British Columbia. Late in the 1986 field season prospecting crews discovered a 2' by 2' boulder of silicified brecciated felsic volcanics which assayed 0.12 oz/ton gold along with 0.5 oz/ton silver, up to 1776 p.p.m. arsenic, 122 p.p.m. antimony and 4200 p.p.b. mercury. An extensive search of the immediate area failed to locate outcrop of this type material. However additional float material containing up to 1580 p.p.b. gold was found up ice (southwest) from the discovery boulder. Approximately 10 kilometers southwest of the discovery boulder a small outcrop of brecciated silicified volcanics (Barb Zone) was located. The zone contained 200 p.p.b. gold along with anomalous silver, arsenic and antimony. The decision was made to stake all ground between the two areas of interest and undertake exploration during the 1987 field season.

1987 - Mingold conducted a program of prospecting, mapping, soil sampling, VLF-EM, trenching and 3900 feet of reverse circulation drilling. Although discovery boulder type material was not located a new zone called the Silver Zone was located through prospecting and soil sampling. This new zone became the focus of our attention because of the presence of 17 oz/ton silver values within grey amorphous silica veins. Extensive channel sampling and 3900 feet of reverse circulation drilling in fourteen holes was completed on the Silver and Barb Zones. The maximum value obtained from surface sampling of the Barb was 1410 p.p.b. gold with drilling yielding 0.063 oz/ton gold across 1.52 meters. Other drill intercepts of note on the Barb Zone were as follows: 0.033 oz/ton gold across 4.57 meters, 0.014 oz/ton gold across 4.57 meters and 0.010 oz/ton gold across

3 meters. Channel sampling on the Silver Zone yielded in excess of 1 oz/ton silver across 20 meters with peak values of 5.93 oz/ton silver across 1.5 meters. Subsequent drilling yielded 1.05 oz/ton silver and 0.068 oz/ton gold across 4.6 meters. Other drill intercepts of note on the Silver Zone were as follows: 1.08 oz/ton silver, 0.01 oz/ton gold across 3 meters.

1988 - Mingold completed additional geochemical, VLF-EM, trenching rock sampling work and diamond drilled a total of 3400 feet in 9 holes on the Silver Zone. Surface sampling on the Silver Zone yielded 4.71 oz/ton silver and 0.017 oz/ton gold over 7 meters. The best silver intercept obtained from core drilling was 4.61 oz/ton across 1.53 meters.

GEOLOGY & MINERALIZATION: Fg. No. 4

The property is underlain by intermediate to felsic volcanic flows and tuffs of the Lower Tertiary Ootsa Lake Group. These rocks are locally overlain by andesitic to basaltic flows of the Oligocene to Miocene Endako Group. It should be noted that geological mapping and geochemical work is greatly hindered by a thick cover of glacial drift. Structurally the property is dominated by north-northwest striking faults which may have acted as conduits for the epithermal systems. The precious metal zones are marked by brecciation, veining and faulting within felsic volcanic flows. No native gold has been observed in hand specimen or under the microscope. Sulphides (pyrite-marcasite) occur as fine disseminations, narrow veinlets and blebs with a fine grey sulphide imparting a dark grey colour to some of the silica. Alteration within the zones varies from weak to pervasive and comprises silicification and argillic alteration. Silicification may entail wholesale replacement of the country rock or vein and breccia infilling with amethyst occasionally observed. Often the

silica infilling has a banded appearance with at least three silica pulses evident. Trace element geochemistry indicates the precious metal zones are enriched in the typical epithermal pathfinder elements - arsenic, antimony and mercury.

PROPOSED PROGRAM:

A program of induced polarization surveys followed by 3500 feet of reverse circulation drilling is recommended to test potential strike extensions of the Silver and Barb Zones. In addition, reconnaissance I.P. surveys should be conducted up ice from the Discovery Boulder area. The estimated cost of this program would be \$175,000.