

**Loon Property
North Central B.C.**

521870

93F/12
103E/9

Exploration Expenditures Thru 09/90

45,000

Budget 1990:

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Location:

Ootsa Lake area, central B.C. Access is via float equipped aircraft from Burns Lake Property and is within 8 kilometres of road.

Type of Deposit:

Epithermal gold-silver, associated with Tertiary volcanism.

General Geology:

(Fig. No. 2) Tertiary aged felsic to intermediate composition volcanics have been brecciated, silicified and argillically altered along north striking faults. Sulphide content is generally low (1% pyrite) but arsenic, antimony and mercury are locally very anomalous.

Work History:

This gold-silver property was staked in 1988 to cover an area of chaledonic veining, brecciation and silica flooding. This altered area measured at least 600 meters long by 150 meters wide and contained silver values up to 1028 g/tonne and gold values up to 5.48 g/tonne. Preliminary VLF-EM, soil sampling and hand trenching was conducted late in the 1988 field season. Twenty-nine samples collected from the hand trenches yielded a weighted average of 250 p.p.b. gold and 4.4 p.p.m. Ag. One 3 meter interval averaged 1.69 g/tonne Au and 14.3 g/tonne silver.

In 1989 Vancouver office recommended a \$300,000 program of sampling, geophysics and drilling. However because of budget cutbacks the decision was made to farm out the property. The property was subsequently optioned to Thomson Gold Company, a V.S.E. junior company. Unfortunately Thomson did not fulfil any of their initial option terms and the property was returned to Mingold with no work conducted.

In 1990 Mingold completed a small VLF-EM resistivity survey which succeeded in outlining two distinct anomalous zones. (Fig. No. 3) These anomalies coincide with known areas of silicification and precious metal mineralization and measure 600 meters by 150 meters and 250 meters by 100 meters respectively.

Future Program:

A \$200,000 program of diamond drilling is recommended to test the silicified zones and coincidental resistivity anomalies.

Present Situation:

Mingold Resources has 100 percent ownership of the property.