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FOX GEOLOGICAL CONSULTANTS LTD.

PROJECT 138
DRILLING REPORT ON THE
GERIMI 1 TO 7 CLAIMS
CANTIN CREEK AREA, B.C.

by

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Gerimi 1 to 7 Mineral Claims
NTS 93B/16E
52°55'N, 122°12'W
Cariboo Mining Division

for

Placer Dome Inc.
15th Floor - 1055 Dunsmuir Street
Vancouver, BC V7X 1P1

April 30, 1990

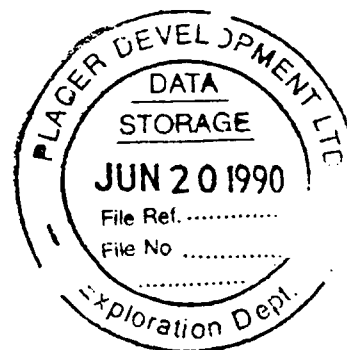


TABLE OF CONTENTS

	PAGE
EXECUTIVE SUMMARY	1
CONCLUSIONS	3
RECOMMENDATIONS	4
INTRODUCTION	5
LOCATION AND ACCESS	5
CLAIM INFORMATION	5
PROPERTY HISTORY	8
REGIONAL GEOLOGY	9
LOCAL GEOLOGY	9
1990 DRILL PROGRAM	11
DRILL HOLE SUMMARY	13
EXPENDITURES	16
DISCUSSION	16
PROPOSED PROGRAM	17

List of Figures

Figure 1 - Location Map	6
Figure 2 - Claim Map	7
Figure 3 - Regional Geology	10
Figure 4 - Geology Map	pocket

List of Figures (Cont'd)

	PAGE
Figure 5 - Drill Plan	pocket
Figure 6 - Cross Section 87+00N	pocket
Figure 7 - Cross Section 88+00N	pocket
Figure 8 - Cross Section 89+00N	pocket
Figure 9 - Cross Section 91+00N	pocket
Figure 10 - Cross Section 93+00N	pocket
Figure 11 - Cross Section 95+00N	pocket
Figure 12 - Proposed Geophysics Grid	pocket
Figure 13 - Proposed Drill Plan	pocket

List of Tables

Table I - Claim List	8
Table II - Drill Collar Information	12
Table III - Key Intersections	17
Table IV - Proposed Budget (Geophysics)	18
Table V - Proposed Budget (Drilling)	19

Appendices

Appendix I - Drill Records	20
Appendix II- Assay Results	21

EXECUTIVE SUMMARY

Twelve diamond drill holes (138G-15 to 138G-26) comprising 1,758.7 metres of drilling were completed on the Cantin Creek gold prospect, Quesnel area, B.C. between February 20 and March 27, 1990. These holes were designed to test favourable rocks east of the locally auriferous prograde skarn drill tested in 1989 and to evaluate an untested induced polarization anomaly at the east end of line 91+00N. Holes this year were drilled approximately on 100-metre step-outs on sections 88N, 89N and 91N and two farther northwest.

Drill hole 138G-15, located at 109+80E, 91+00N, penetrated 42.7 metres of overburden and cored interbedded potassic hornfels, calc-silicate rock, hornfelsed felsic breccia, a mafic dyke and coarse grained calc-silicate skarn to the bottom of the hole at 152.4 metres. Weakly anomalous gold contents were returned with a high of 85 ppb. Hole 138G-16, 120 metres northeast of hole G-12, was cased 21.3 metres to bedrock. The hole was cored to 131.1 metres through interbedded hornfelsed felsic breccia, calc-silicate rock and marble. Weakly anomalous gold contents were obtained throughout with a high of 92 ppb.

Drill hole 138G-17, located 100 metres northeast of G-14, penetrated 21.3 metres of overburden and cored interbedded hornfelsed felsic rocks, siltstone and potassic hornfels to a depth of 93.0 metres. Marble and coarse grained calc-silicate skarn were cored from 93.0 metres to the bottom of the hole at 173.7 metres. Five one-metre samples assayed greater than 100 ppb with a high of 448 ppb gold. Drill hole 138G-18, the northern-most hole 400 metres northwest of G-15, was cased to bedrock and cored a felsic dyke from 12.2 metres to the end of the hole at 152.4 metres. Gold contents are uniformly low throughout.

Drill hole 138G-19, located 200 metres west of G-15, penetrated 19.8 metres of overburden, a barren felsic dyke to 97.6 metres and pyritic epidote hornfels to the end of the hole at 152.4 metres. Gold values are weakly anomalous throughout with a high of 105 ppb. Drill hole 138G-20, 370 metres northeast of hole G-15 on section 91+00N, cased 53.5 metres to bedrock and cored propylitic basalt and numerous felsic dykes to the end of the hole at 158.5 metres. Epidote and pyrite were noted throughout in moderate to high concentrations. Sixteen one-metre samples returned gold assays greater than 100 ppb, with one sample returning 1,779 ppb gold.

Drill hole 138G-21, 100 metres northeast of hole G-17, penetrated 33.5 metres of overburden and cored felsic breccia and potassic hornfels to a depth of 143.7 metres and a barren dyke from 146.2 metres to the bottom of the hole at 152.4 metres. Twenty-four consecutive samples returned anomalous gold tenors ranging from 56 to 373 ppb Au. Elsewhere, eleven consecutive samples returned gold assays in excess of 340 ppb, including two samples greater than 1,000 ppb, three samples above 2,000 ppb and a high of 4,106 ppb.

Drill hole 138G-22, some 200 metres northeast of hole G-17, penetrated 21.9 metres of overburden and cored pyritic marble, calc-silicate rock and felsic dykes to 158.5 metres. Weakly anomalous gold contents were returned with a high of 148 ppb Au. Drill hole 138G-23, located 100 metres northeast of hole G-20, penetrated 27.4 metres of overburden and cored calcareous basalt to a depth of 55.5 metres and a felsic dyke to the end of the hole at 61.0 metres. Gold contents are low throughout.

Drill hole 138G-24, located at the collar of G-22, was angled -55° at an azimuth at 040° . The hole was cased to 33.5 metres and cored felsic dykes, calc-silicate rock and marble to 131.1 metres. Gold contents are weakly anomalous. Drill hole 138G-25, 100 metres southwest of hole G-20 was angled -55° at 040° . The hole was cased to 21.3 metres and cored a mafic dyke to 48.4 metres, potassic hornfels to 60.8 metres and pyritic epidote hornfels to 110.1 metres. Propylitic basalt rich in pyrite was intersected from 111.3 metres to the end of the hole at 146.3 metres. Felsic dykes, one to six metres thick, are common from 79.2 to 111.3 metres. Numerous consecutive one-metre samples returned gold assays greater than 100 ppb. Six consecutive one-metre samples average 1,720 ppb Au, with one sample returning 4,550 ppb Au. Zinc tenors to up 2% were obtained in two separate one-metre samples.

Drill hole 138G-26, 100 metres southwest of hole G-25 was angled -55° at 040° . The hole penetrated 54.9 metres of overburden and cored a felsic dyke to 67.6 metres followed by nine metres of gouge. Interbedded fine grained skarn, marble, and felsic and mafic dykes were cored from 76.4 metres to the end of the hole at 170.7 metres. Numerous samples are anomalous in gold, with one sample returning 1,329 ppb Au.

Key assays from the 1990 program are tabulated below.

Hole #	From	To	Length (m)	Rock Type	Au (ppb)
G-17	95.0	97.0	2.0	3b	411
G-20	96.0	97.0	1.0	1e	1779
	109.0	111.0	2.0	1e	383
G-21	51.0	57.0	6.0	4c	272
	61.0	67.0	6.0	4c	271
	129.0	133.0	4.0	4c	518
	133.0	139.0	6.0	4c	2182
G-25	112.0	120.0	8.0	1e	212
	136.0	142.0	6.0	1e	1721
	151.0	154.0	3.0	6	391
G-26	142.0	143.0	1.0	3a	1329

Two mineral claims, Gerimi 8 and Gerimi 9, were staked in the name of Placer Dome Inc. on March 22, 1990 and March 21, 1990. The claims were staked to cover open ground adjacent to the favourable horizon near 101+00N. The addition of Gerimi 8 and 9 brings the total number of claims to nine for a total of 168 units. In addition, two years were filed on the Cantin 1 to 20 placer claims.

CONCLUSIONS

The current drill program returned significant gold assays from core recovered from holes 138G-17, G-20, G-21, G-25 and G-26. Drill holes G-20 and G-25 are consistently mineralized throughout. G-25 contains low but significant zinc tenors. Pyritic epidote hornfels and propylitic basalt cored in G-25 correlate to the hanging wall siltstone and host basalt units of the nearby QR deposit. In addition, the hole lies within a partially defined IP anomaly at the perimeter of the existing grid on line 91+00N. To the north and south,

some 3.5 kilometres of geologically favourable rocks similar to those at the QR gold deposit remain untested. Elsewhere, high gold assays returned from hole G-21 also suggest an association of gold with calcite-fluorite veins within potassically altered felsic breccia.

The similarity to the QR deposit and the large extent of the favourable horizon, some 3,500 metres, greatly enhance the property. The exploration potential here is regarded as excellent. Accordingly, further work is fully warranted and is highly recommended at this time.

RECOMMENDATIONS

An induced polarization survey is proposed to complete and extend previous surveys along the favourable horizon intersected in hole G-25. A pole-dipole array on lines spaced 100 metres apart will measure eight separations of a 40-metre electrode spacing. Twenty-two line-kilometres are planned at a cost of \$40,000.

Contingent upon results of the geophysical survey, a follow-up drill program is proposed to test the favourable horizon along strike. Eighteen inclined holes are planned near the current drill area and two vertical holes farther west to evaluate an untested induced polarization anomaly possibly covering favourable rocks southwest of the Cantin Stock. Total drilling proposed is 4,400 metres at a total cost of \$386,950.

INTRODUCTION

This report provides information on a diamond drilling program conducted on the Gerimi 1 to 7 mineral claims, at Cantin Creek, Quesnel area, B.C. Twelve holes totalling 1,758.7 metres were completed between February 20 and March 27, 1990. A drill plan, sections, core logs and recommendations to continue work are included in this report.

The drill program was designed to test an induced polarization anomaly on line 91+00N and follow-up drilling work done in the spring 1989. The target is a favourable QR-style horizon adjacent to the Cantin stock, a small elongate alkaline pluton similar to the QR stock and typical of such intrusions elsewhere in the Quesnel Trough.

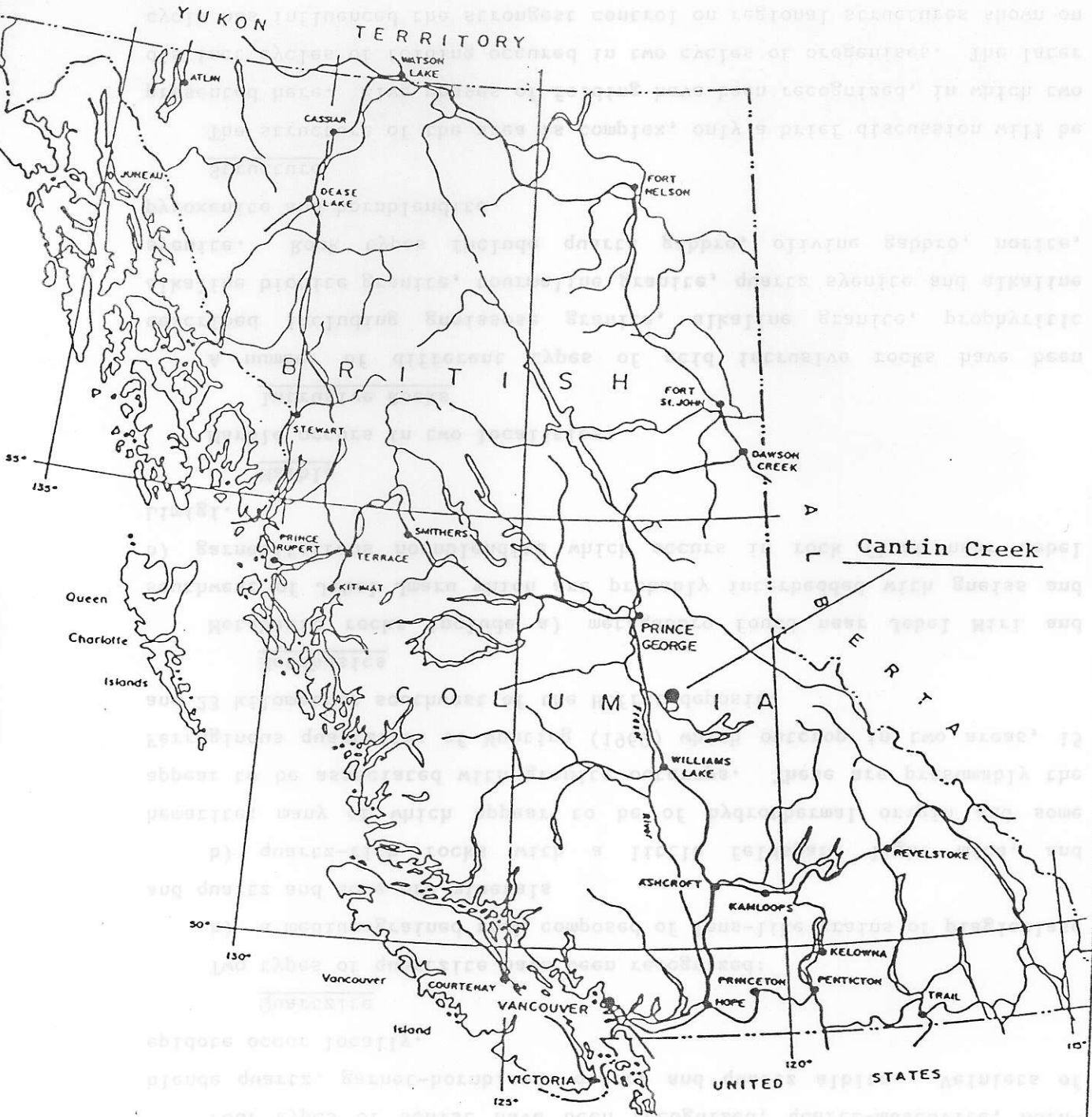
LOCATION AND ACCESS

The Gerimi claim block is situated at the headwaters of Cantin Creek in the Cariboo Mining Division, some 30 kilometres southeast of Quesnel, B.C. The property is centred approximately 52°55'N, 122°12'W on NTS mapsheet 93B/16E, 40 kilometres northwest of the QR property. Access to the Cantin area is via the Wells-Barkerville Highway (Route 26) 16 kilometres to the 300 Forestry Road. The 500 Road, which provides direct access to the claims, branches southward four kilometres along the 300 Road. The property is situated approximately 15 kilometres south along the 500 Road. Cat trails provide access to the various drill sites.

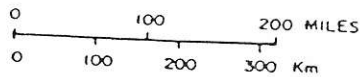
Local terrain is flat and largely muskeg-covered with Cantin Creek and its tributaries incised into a thick blanket of glacial till for some 50 metres. Tills range from a few metres to + 100 metres thick.

CLAIM INFORMATION

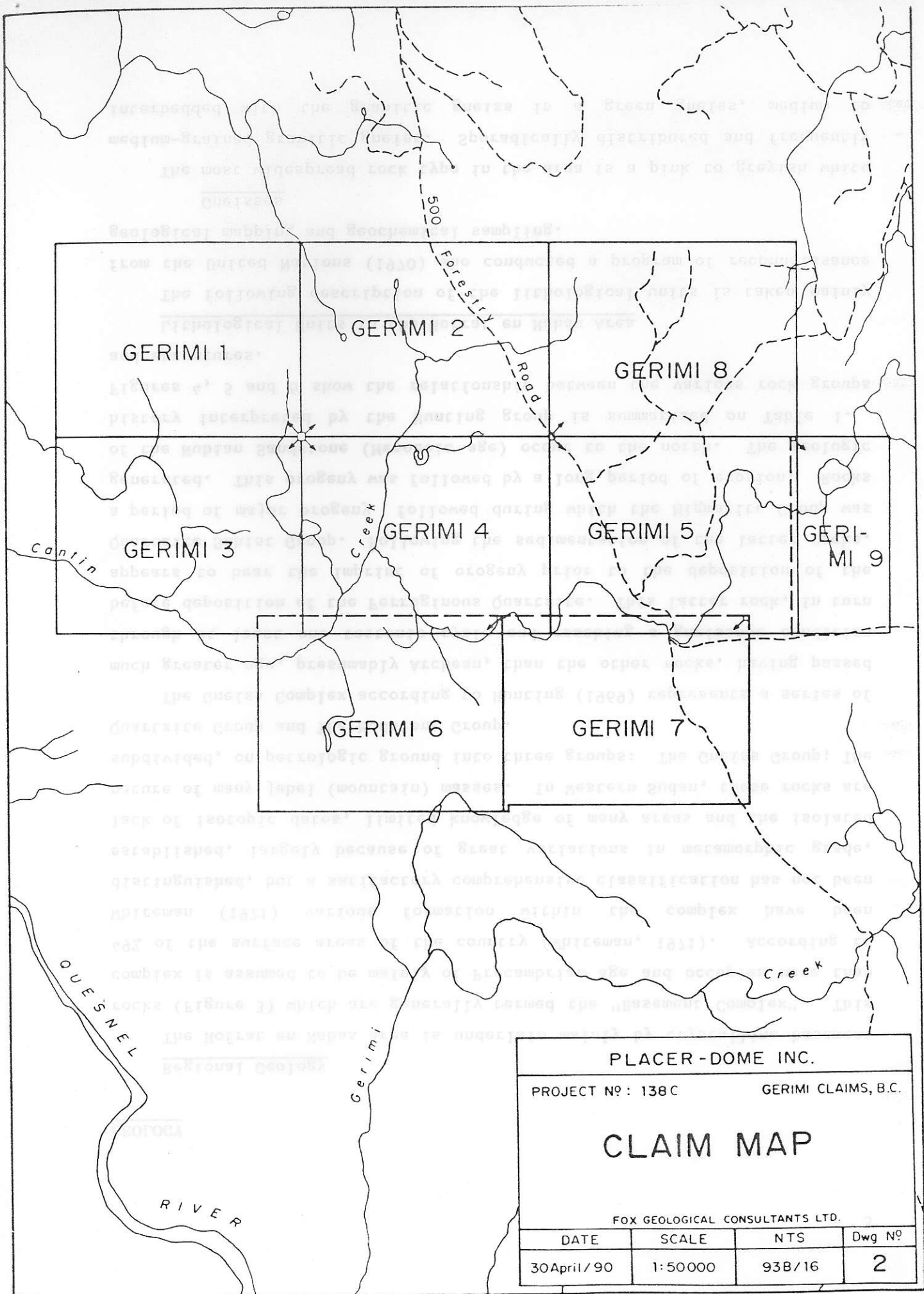
The Gerimi property comprises nine mineral claims totalling 168 units and twenty placer claims. Claim data are given in Table I and a mineral claim map in Figure 2. Gerimi 5 to 7 are grouped with the Can 1 group.



Cantin Creek



PLACER DOME INC.			
PROPERTY LOCATION PLAN			
Cantin Creek Prospect			
FOX GEOLOGICAL CONSULTANTS LTD.			
DATE		N.T.S.	Dwg. No.
		93B16	1



GERIMI 1

GERIMI 2

GERIMI 8

Cantin

GERIMI 3

Creek

GERIMI 4

GERIMI 5

GERIMI 9

500

Forestry Road

GERIMI 6

GERIMI 7

QUESNEL

RIVER

Gerimi

Creek

PLACER-DOME INC.

PROJECT NO: 138C

GERIMI CLAIMS, B.C.

CLAIM MAP

FOX GEOLOGICAL CONSULTANTS LTD.

DATE	SCALE	NTS	Dwg NO
30 April/90	1:50000	93B/16	2

Table I
Claim List for
Gerimi 1 to 9 Mineral Claims
and Cantin 1 to 20 Placer Claims

Claim Name	Record No.	Units	Expiry Date
Gerimi 1	4364	20	July 20, 1998
Gerimi 2	4365	20	July 20, 1998
Gerimi 3	4366	20	July 20, 1999
Gerimi 4	4367	20	July 20, 1999
Gerimi 5	4368	20	July 20, 1999
Gerimi 6	4369	20	July 20, 1999
Gerimi 7	4370	20	July 20, 1999
Gerimi 8	10508	20	March 22, 1991
Gerimi 9	10509	8	March 21, 1991
Cantin 1 to 20	1194-1213	20	April 18, 1992

Two claims, Gerimi 8 and 9, were staked in the name of Placer Dome Inc. on March 22 and March 21, 1990, respectively after completion of the work program. The claims were staked to cover open ground adjacent to the favourable horizon near L101+00N and to secure access to water, should it be required in the future. Assessment work will be filed to bring the Gerimi 6 and 7 claims to 1999. Two years assessment work was filed on the Cantin 1 to 20 placer claims.

PROPERTY HISTORY

The area was first staked as the Can 1 by the Cariboo Project (Fox Geological Consultants Ltd., Newconex Canadian Exploration and Dome Exploration) who conducted preliminary mapping, geochemical sampling and drilled 409 metres in five percussion holes in 1977. In 1982, Dome Exploration (Canada) Ltd. staked the Gerimi 1 to 29 claims totalling 548 units.

These claims covered both the Cantin stock and the Gerimi body to the south. An extensive grid of 146-line kilometres was established in 1982 and 1983 to facilitate geochemical and geophysical surveys. In 1984, an induced polarization survey was conducted near Cantin Creek, followed by 1,232 metres of diamond drilling. Weakly anomalous results warranted a modest 972-metre follow-up diamond drilling program in the spring of 1989. Encouraging results from this program prompted the current work.

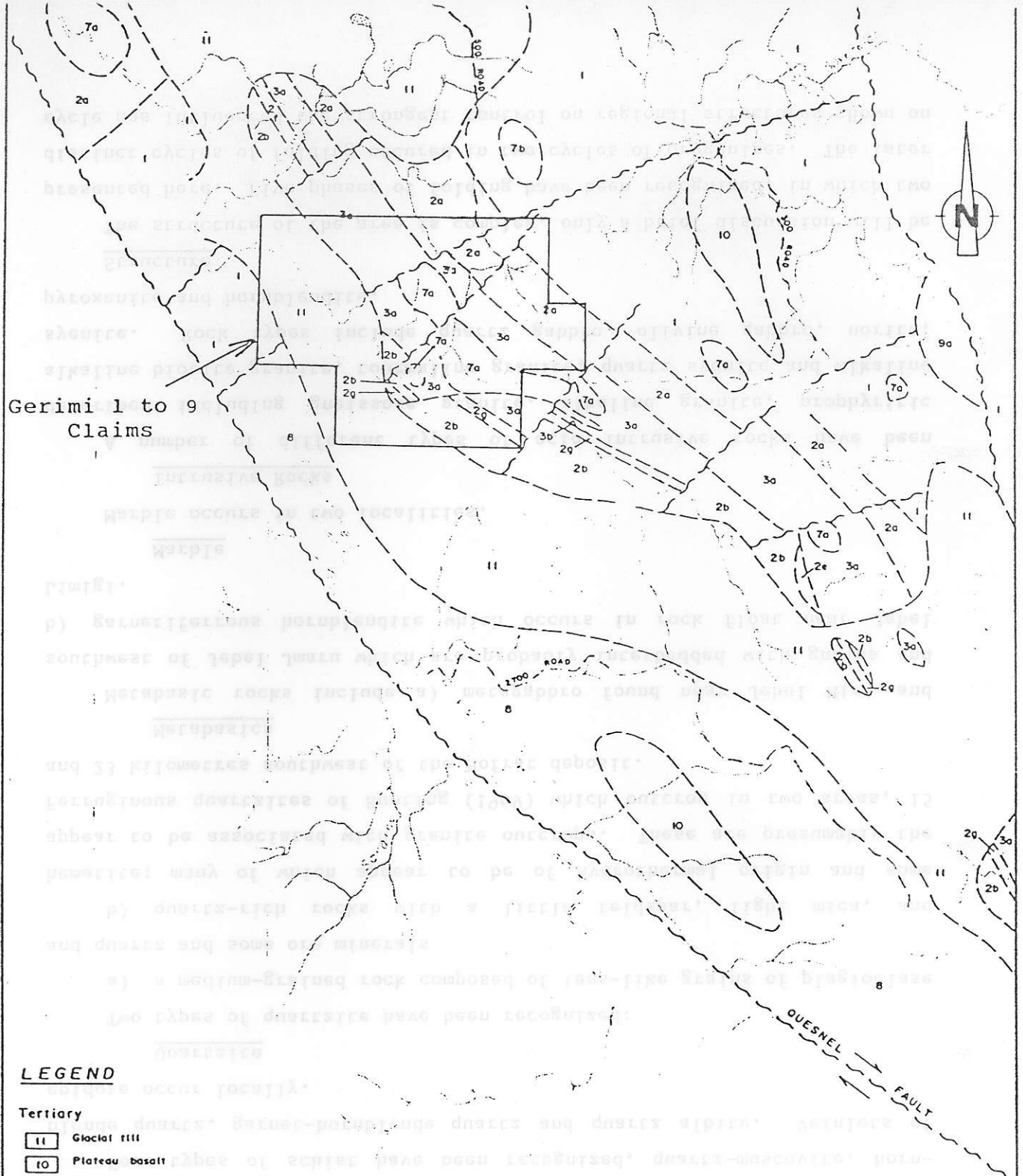
REGIONAL GEOLOGY

The Cantin property lies in the "Quesnel Trough", a linear northwesterly-trending belt of Upper Triassic-Lower Jurassic Tackle Group volcanic flows and sedimentary rocks (Figure 3). These rocks are in thrust contact with metamorphosed rocks of the Omineca Terrane to the east; sediments of the Paleozoic Cache Creek Group lie to the west. A series of regularly spaced alkalic stocks occur along the axis of the belt and are host to a number of copper-gold prospects.

The region has been subject to numerous research, mapping and exploration projects. Most recently, the B.C. Ministry of Energy, Mines and Petroleum Resources completed a series of mapping programs along the central and eastern portion of the belt including work by Bailey 1987, 1988, Bloodgood 1987, 1988 and Panteleyev 1987, 1988. Bailey's work established the local stratigraphy more or less as follows: a lower unit of Upper Triassic sandstone, siltstone and minor claystone with interlayered beds of mafic tuff and breccia; a middle unit of Late Triassic basaltic volcanic rocks overlain locally by a thin discontinuous limestone unit; and an upper sequence of felsic volcanic tuffs and breccias of Lower Jurassic age. Small intrusions of gabbro-monzonite-syenite are comagmatic with the latter unit.

LOCAL GEOLOGY

The local geology is set out in Figure 4. The central part of the property is underlain by the Cantin stock, a composite body ranging in composition from serpentized pyroxenite (5e) through hornblende gabbro and diorite (5c, d). The stock forms an elongate, fault-bounded, northwesterly-oriented pluton some 800 metres wide and occupies much of the terrain from line 74N on the Gerimi 7 claim to Cantin Creek 3,500 metres to the northwest. A notable magnetic anomaly clearly marks the extent of the body.



LEGEND

Tertiary

- 11 Glacial till
- 10 Plateau basalt
- 9a Sandstone

Cretaceous

- 8 Granodiorite, quartz monzonite

Jurassic

- 7b Gabbro, pyroxenite
- 7a Syenite, monzonite, diorite
- 3b Monolithic tuff and breccia
- 3a Polyolithic breccia

Triassic

- 2q Limestone
- 2f Siltstone
- 2c Andalcite basalt
- 2b Monolithic basalt breccia
- 2a Olivine basalt
- 1 Siltstone, tuff, conglomerate

--- Geological contact
 ~~~ Fault



(after Bailey 1989)

|                         |         |                   |               |         |
|-------------------------|---------|-------------------|---------------|---------|
| <b>PLACER DOME INC.</b> |         |                   |               |         |
| PROJECT N° 138          |         |                   | GERIMI CLAIMS |         |
| <b>Regional Geology</b> |         |                   |               |         |
| SCALE                   | DATE    | FILE              | N.T.S. N°     | FIG. N° |
| 1:100000                | 31/5/89 | 138 -<br>BY: G.G. | 93 B/16       | 3       |

A broad zone of poly lithologic felsic breccia (4a) consisting of compact accumulations of feldspar-rich, subangular fragments up to 10 cm lie west of the Cantin stock. Most breccias are matrix-supported and poorly sorted. On the west edge of the property, the felsic breccia unit overlies some 200 metres of massive limestone. Maroon basalts (1d) outcrop farther west and immediately east of the Cantin stock, felsic breccia, siltstone, marble and their hornfelsed and skarned equivalents underlie much of the terrain between the stock and calcareous basalts of unit 1a. The marble and skarn units, dipping 60° southwest, are thought to correlate with the limestone horizon to the west.

Rock within the drilled area, cored by G-9 to G-26, has been subdivided into felsic breccia (4a), marble (3a), siltstone (2a), calcareous basalt (1a) and their altered equivalents, potassic hornfels (4b, 2b), pyritic epidote hornfels (4c, 2c), coarse grained calc-silicate skarn (3b) and propylitic basalt (1c). Stratigraphic units are displaced by roughly east-west faults having vertical displacements of several tens of metres or more.

Skarned and hornfelsed units drill tested during the 1989 program returned significant, but isolated, gold concentrations in prograde pyritic skarn just east of the stock. The current program tested propylitically altered, retrograde rocks farther east beyond the potassic and prograde skarn cored in the 1989 drill program. Pyrite-rich, propylitic basalt cored in hole G-25 this year returned several consecutive samples that assayed greater than 1,500 ppb gold.

The local geology here is identical to that at the QR some 40 kilometres to the south. The skarn-siltstone unit and propylitic basalt at Cantin correlate with the QR hanging wall hornfelsed siltstone and host propylitized basalt respectively.

## **1990 DRILL PROGRAM**

The 1990 program was designed to test favourable volcanic strata east of the prograde, locally auriferous pyroxene-rich skarn proximal to the Cantin Stock and, secondly, to drill test an end-of-line induced polarization anomaly covering favourable host rock on line 91+00N.

The program comprised twelve holes (138G-15 to 26) totalling 1,758.7 metres. Work commenced on February 20 and was completed March 27, 1990. Collar information and hole lengths are given in Table II. Drilling work was performed by J. T. Thomas Diamond Drilling of Smithers, B.C. at a cost of \$15.72 per foot. All core was logged on site and

determinations made for recovery and rock quality index (RQD). All core was split in half, sampled on one-metre intervals and assayed as such or combined into three sample composites. Twenty-gram aliquots were analyzed for gold by fire assay and atomic absorption. Selected samples were analyzed for 30 elements using ICP methods (Appendix II). Acme Analytical Laboratories of Vancouver, B.C. provided the analytical services. Drill records with analyses are provided in Appendix I. Drill hole locations are given in Figure 5. Core is stored at #1-1251 Jade Road, Quesnel, B.C.

Table II  
Drill Collar Information

| Hole # | Northing | Easting | Elevation | Orientation | Depth (m) |
|--------|----------|---------|-----------|-------------|-----------|
| 15     | 90+98    | 109+73  | 878       | -90         | 152.9     |
| 16     | 88+00    | 111+65  | 894       | -90         | 131.1     |
| 17     | 89+00    | 111+30  | 883       | -90         | 173.7     |
| 18     | 95+00    | 110+40  | 882       | -90         | 152.4     |
| 19     | 93+00    | 110+40  | 882       | -90         | 152.4     |
| 20     | 91+00    | 113+40  | 900       | -90         | 158.5     |
| 21     | 89+00    | 112+40  | 892       | -90         | 152.4     |
| 22     | 89+00    | 113+40  | 898       | -90         | 158.5     |
| 23     | 91+00    | 114+40  | 903       | -90         | 61.0      |
| 24     | 89+00    | 113+50  | 898       | 040/-55     | 131.1     |
| 25     | 91+00    | 112+50  | 894       | 040/-55     | 164.6     |
| 26     | 91+00    | 111+40  | 891       | 040/-55     | 170.7     |

## DRILL HOLE SUMMARY

A drill plan showing collar locations is given in Figure 5. Cross sections are given in Figures 6 through 11.

### 138G-15

Drill hole 138G-15, located at 109+80E, 91+00N, penetrated 42.7 metres of overburden before entering bedrock. The hole was cored to 152.4 metres through interbedded potassic hornfels (unit 2b), calc-silicate rock (3b), and hornfelsed felsic breccia (4b) to 92.0 metres. Barren mafic dyke (6) was encountered to 127.0 metres then coarse grained calc-silicate skarn to the bottom. Weakly anomalous gold values were obtained from the sediments, with a high of 85 ppb.

### 138G-16

Hole 138G-16, 120 metres northeast of hole 138G-12, was cased 21.3 metres to bedrock. The hole was cored to 131.1 metres through potassic hornfelsed felsic breccia (4b). Coarse grained calc-silicate skarn and marble (3a, b) were intersected from 59.1 to 63.5 metres. Weakly anomalous gold contents were obtained with a high of 92 ppb.

### 138G-17

Drill holes 138G-17 is located 100 metres northeast of G-14. The hole penetrated 21.3 metres of overburden and cored interbedded potassic hornfelsed felsic breccia (4b), potassic hornfels (4b, 2b) and siltstone (2a) to a depth of 93.0 metres. Marble and coarse grained calc-silicate skarn were cored from 93.0 metres to the bottom at 173.7 metres. Calc-silicate mineralogy comprises andradite and grossular garnets plus minor phlogopite. Five one-metre samples assay greater than 100 ppb with a high of 448 ppb gold.

### 138G-18

The most northern hole drilled, 138G-18, is located 400 metres northwest of G-15. The hole penetrated 12.2 metres of overburden and cored a felsic dyke (6) from bedrock to the bottom of the hole at 152.4 metres. Gold contents are low.



138G-19

Drill hole 138G-19, located 200 metres northwest of G-15, penetrated 19.8 metres of overburden and cored felsic breccia (4a) for 1.2 metres. A barren felsic dyke (6) was encountered from 21.4 metres to 97.6 metres. Pyritic epidote hornfels (4c) was cored from 97.6 metres to the end of the hole at 152.4 metres. Moderate amounts of epidote, calcite and chlorite comprise the hornfels. Gold values are weakly anomalous with a high of 105 ppb.

138G-20

Drill hole 138G-20 is located 370 metres northeast of hole G-15 along section 91+00N. The hole was cased 33.5 metres to bedrock and cored felsic dykes (6) and propylitic basalt (1c) to the end of the hole at 158.5 metres. Epidote and pyrite were noted throughout in moderate to high concentrations. Sixteen one-metre samples returned gold assays greater than 100 ppb, with one sample returning 1,779 ppb.

138G-21

Drill hole 138G-21, located 100 metres northeast of hole G-17, penetrated 33.5 metres of overburden and cored felsic breccia and potassic hornfels (4b) to a depth of 143.7 metres. A mafic dyke (6) intrudes the felsic breccia from 146.2 metres to the end of the hole at 152.4 metres. A 2.5-metre wide gouge zone was encountered at the dyke contact. Twenty-four consecutive samples returned anomalous gold values ranging from 56 to 373 ppb. Another eleven consecutive samples returned gold assays in excess of 340 ppb, including two samples greater than 1,000 ppb, three samples above 2,000 ppb with a high of 4,106 ppb.

138G-22

Drill hole 138G-22, located 200 metres northeast of hole G-17, penetrated 21.9 metres of overburden and cored grey pyritic marble (3a) with minor calc-silicate (3b) to a depth of 44.1 metres. Two felsic dykes (6) intrude the marble to 85.8 metres. Calc-silicate content and grain size increase down hole. The hole ended in coarse grained calc-silicate skarn at 158.5 metres. Weakly anomalous gold contents were obtained with a high of 148 ppb.

138G-23

Drill hole 138G-23, located 100 metres northeast of hole G-20, penetrated 27.4 metres of overburden and cored calcareous basalt (1a) to a depth of 55.5 metres. A felsic dyke (6) was encountered from 55.5 metres to the end of the hole at 61.0 metres. Gold contents are low.

#### 138G-24

Drill hole 138G-24, located at hole G-22, is angled  $-55^{\circ}$  at an azimuth  $040^{\circ}$ . The hole was cased to 33.5 metres and cored felsic dyke (6) to a depth of 65.9 metres. Calc-silicate rock (3b) and marble (3a) were cored from 65.9 to 121.6 metres, and intruded by a felsic dyke (6) from 106.8 to 109.8 metres. Calc-silicate mineralogy comprises pyroxene, andradite and minor amounts of potassium feldspar and disseminated pyrite. Felsic dyke was cored from 121.6 metres to the end of the hole at 131.1 metres. Gold contents are weakly anomalous.

#### 138G-25

Hole 138G-25, 100 metres southwest of hole G-20, is angled at  $-55^{\circ}$  at an azimuth of  $040^{\circ}$ . The hole was cased to 21.3 metres and cored mafic dyke (6) to a depth of 48.4 metres. Potassic hornfels (2b) were cored to 60.8 metres and pyritic epidote hornfels (2c) were cored to 110.1 metres. Propylitic basalt (1c) was encountered from 111.3 metres to the end of the hole at 146.3 metres. Felsic dykes (6) one to six metres apparent thickness intrude the hornfels units and the basalt from 79.2 metres to 111.3 metres. Numerous consecutive samples returned gold assays greater than 100 ppb. Six consecutive one-metre samples average 1,720 ppb gold, with one sample returning 4,550 ppb gold.

#### 138G-26

Drill hole 138G-26, 100 metres southwest of hole G-25, is angled  $-55^{\circ}$  at  $040^{\circ}$ . The hole penetrated 54.9 metres of overburden and cored a felsic dyke to 67.6 metres where it encountered 8.7 metres of gouge. Interbedded fine grained skarn (2), marble (3a) and felsic and mafic dykes were cored from 76.3 metres to the end of the hole at 170.7 metres. Numerous samples are anomalous in gold, with one sample returning 1,329 ppb gold.

**EXPENDITURES**

|                        |                      |
|------------------------|----------------------|
| Accommodation, Board   | \$ 4,075.63          |
| Assays, Geochem        | 14,416.57            |
| Auto Expense           | 735.48               |
| Claim Maintenance      | 6,160.00             |
| Consulting             | 14,084.25            |
| Contractors            | 3,420.00             |
| Drilling               | 90,708.00            |
| Drafting               | 600.00               |
| Equipment Rentals      | 700.00               |
| Field Supplies         | 615.61               |
| Contract Labour        | 120.00               |
| Lease Vehicles         | 2,740.00             |
| Licenses & Permits     | 41.20                |
| Salaries               | 38,350.00            |
| Reproductions and Maps | 80.00                |
| Telephone & Radio      | 275.73               |
| Travel Expenses        | 1,057.20             |
| Warehousing            | <u>879.33</u>        |
| Total Expenditures     | \$ <u>179,059.00</u> |

**DISCUSSION**

The current drill program returned significant gold contents in holes G-17, G-20, G-21, G-25 and G-26. Key intersections are summarized in Table III. Hole G-25, which tested the induced polarization anomaly on 91+00N cored potassic hornfels, pyritic epidote hornfels and propylitic basalt that returned significant gold contents near the basalt-siltstone (hornfels) contact. The mineralized material and local stratigraphy section here are typical of the QR gold deposit. Although, propylitic basalt, pyritic skarn and marble are generally the most consistently mineralized, hole G-21 returned high gold contents associated with calcite-fluorite veins in potassic hornfelsed felsic breccia. If the gold-fluorite association is valid, a second gold target may exist.

Table III  
Key Intersections

| Hole # | From  | To    | Length (m) | Rock Type | Au (ppb) |
|--------|-------|-------|------------|-----------|----------|
| G-17   | 95.0  | 97.0  | 2.0        | 3b        | 411      |
| G-20   | 96.0  | 97.0  | 1.0        | 1e        | 1779     |
|        | 109.0 | 111.0 | 2.0        | 1e        | 383      |
| G-21   | 51.0  | 57.0  | 6.0        | 4c        | 272      |
|        | 61.0  | 67.0  | 6.0        | 4c        | 271      |
|        | 129.0 | 133.0 | 4.0        | 4c        | 518      |
|        | 133.0 | 139.0 | 6.0        | 4c        | 2182     |
| G-25   | 112.0 | 120.0 | 8.0        | 1e        | 212      |
|        | 136.0 | 142.0 | 6.0        | 1e        | 1721     |
|        | 151.0 | 154.0 | 3.0        | 6         | 391      |
| G-26   | 142.0 | 143.0 | 1.0        | 3a        | 1329     |

### PROPOSED PROGRAM

A 22-kilometre induced polarization survey (Figure 12) is recommended to cover the northwest extension of the chargeability high at 91+00N, 113+40E. This anomaly correlates with QR-style mineralization encountered in hole G-25. A pole-dipole array on lines spaced 100 metres apart will measure eight separations of a 40-metre electrode spacing. It is proposed to schedule the work, subject to approval, for the dry season in late July-August. Total cost for the program is estimated at \$40,000. Budget allocations are listed in Table IV.

Contingent upon results of the geophysical survey, a follow-up drill program is proposed to further test favourable horizons east and west of the Cantin Stock. The program comprises 18 inclined holes east of the Cantin Stock to be drilled east and west along strike from hole G-25 at 200-metre step-outs. In addition, two vertical "wildcat" holes on sections 101+00N and 97+00N, are recommended to test second chargeability anomaly in favourable strata west of the Cantin Stock. All holes are to be drilled to a depth of 250 metres. A proposed drill plan is provided in Figure 13. Total metreage is 4,400 metres at a cost of \$386,950. Budget allocations are listed in Table V. Work should be scheduled to commence, subject to approval, in January-February, 1991.

Table IV  
Proposed Budget (Geophysics)

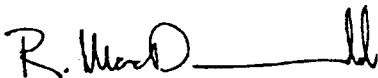
|                                              |                     |
|----------------------------------------------|---------------------|
| Salaries                                     | \$ 11,520.00        |
| Accommodation and Board - 50 man-days @ \$42 | 2,100.00            |
| Automobile Expense                           | 800.00              |
| Consulting                                   | 1,500.00            |
| Geophysics - 22 km. I.P. and MAG by Contract | 20,880.00           |
| Drafting                                     | 500.00              |
| Equipment Rentals                            | 800.00              |
| Field Equipment                              | 500.00              |
| Lease Vehicles                               | 600.00              |
| Maps, Reproduction                           | 400.00              |
| Telephone, Radio                             | <u>400.00</u>       |
| Total                                        | \$ <u>40,000.00</u> |

Table V  
Proposed Budget (Drilling)

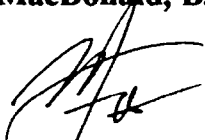
|                                                     |                      |
|-----------------------------------------------------|----------------------|
| Accommodation and Board                             | \$ 10,400.00         |
| Assays, Geochem                                     | 52,800.00            |
| Automobile Expense                                  | 1,800.00             |
| Consulting                                          | 8,000.00             |
| Contractors - roads and drillsites                  | 12,000.00            |
| Drafting                                            | 1,200.00             |
| Drilling - 4,400 metres (core drilling) @ \$52.80/m | 232,320.00           |
| Equipment Rentals                                   | 1,200.00             |
| Lease Vehicles                                      | 3,900.00             |
| Project Salaries                                    | 45,600.00            |
| Maps and Reproduction                               | 1,000.00             |
| Surveys - Collar                                    | 5,000.00             |
| Telephone and Radio                                 | 500.00               |
| Reclamation                                         | 8,000.00             |
| Claim Maintenance                                   | <u>3,000.00</u>      |
| Total                                               | <u>\$ 386,950.00</u> |

Prepared by:

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