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## BOND GOLD CANADA INC.

PROJECT DATA  
FY1991 BUDGETNAME: EAST ARM PROJECT  
NORTHWESTERN BRITISH COLUMBIA

OWNERSHIP: 100% BOND

JOINT VENTURE RATIONALIZATION

The East Arm property has the potential to host a polymetallic deposit similar to the mammoth Windy Craggy massive sulphide copper gold-cobalt deposit 7 km to the west. It remains however, a remote and expensive project where environmental sensitivities, climate and topography render it a difficult target. Accordingly, it is proposed to bring in a joint venture partner to expedite further exploration on the property including a definitive drill test beneath the East Arm glacier as well as the evaluation of additional prospective EM targets located in the southern area of the property.

Ongoing development at Windy Craggy for which funding is already in place includes a feasibility study and a Stage I permit re-submission. Geddes Resources holds a 100% interest in Windy Craggy, and the major shareholders of Geddes are Northgate (36%) and Cominco (19%).

A TARGET SUMMARY:

The exploration target on the East Arm property is a large volcanogenic massive sulphide deposit with substantial base and precious metal credits of the Windy Craggy-type.

Windy Craggy is a world class deposit with current published probable and possible reserves of 165 Mt of 1.90% Cu, 0.08% Co and 0.2 g Au/t on detailed underground drilling. Much of the deposit has yet to be drilled in detail and previous estimates of global geological reserves have totalled as much as 500 Mt grading 1.5% Cu.

On the East Arm property massive sulphide boulders at the toe of the East Arm glacier have been tentatively traced to a magnetic-EM anomaly beneath the East Arm glacier. This anomaly has a very similar airborne geophysical expression to Windy Craggy and this suggests the presence of a huge pyrrhotite rich massive sulphide deposit at East Arm. Drill testing by Bond in 1987 with vertical holes through the glacier confirmed the presence of a massive sulphide source by intersecting 10.29 m of massive sulphide and argillite grading 1.51% Cu, 1.0 g Au/t, 9.2 g Ag/t and 0.78% Zn. The hole had to be terminated due to ice pressure on the casing.

The 1990 East Arm exploration program involved a 290 line km airborne geophysical survey to evaluate the entire property for Windy Craggy-type geophysical signatures. Due to high winds all of the planned 434 line km could not be flown. Windy Craggy-type EM conductors are present in the southern area of the property and are considered prime exploration targets.

#### B DESCRIPTION:

The East Arm property comprises 535 claim units (13,375 ha) and is located in the St. Elias Mountains in the extreme northwest corner of British Columbia. Prior to May, 1989 Newmont held a 50% joint venture interest in the property. However, Bond acquired this interest in May, 1989 giving Bond a 100% interest in the property.

The East Arm property is contiguous with Geddes Resources' Windy Craggy property where proven, probable and possible reserves of 165 Mt grading 1.9% Cu are indicated (Figure 66). A very significant gold intersection of 61.23 m grading 11 g Au/t has also been returned from a separate gold mineralized zone.

In a major underground exploration effort, Geddes has driven a 1,850 m adit, 1,700 m of drift, and 310 m of crosscut and conducted 30,000 m of underground drilling. The ongoing underground work has confirmed the existence of a major massive sulphide/copper deposit, also containing gold, silver, cobalt and occasionally zinc. In addition, it has indicated the presence of a separate, higher grade, gold zone adjacent to the main copper deposit.

The massive sulphide body, which is folded in parallel bands along its length, strikes 130° and is arched in the middle along an east-west axis. The crest of the arch conforms to the Windy Craggy Mountain peak and splits the sulphides

into the North and South Copper Zones. On surface, the sulphides have been traced over a strike length of 1,500 m. Drilling has indicated widths of up to 200 m and a vertical extent of over 600 m in some areas. The deposit is open along strike to the north and south and at depth, indicating quite extraordinary tonnage potential.

The Windy Craggy deposit is located in an environmentally sensitive area. Geddes Resources submitted its Stage I permit report in January, 1990. The B.G. government reviewed the report and requested more research before approval could be given for mine development due to concerns about the project's potential to generate acid drainage. In addition, a group of environmentalists and preservationists have launched a campaign to turn the Haines Triangle into a wilderness preserve or park.

The East Arm property is thought to cover the same favourable stratigraphy that hosts the Windy Craggy deposit. Much of the claim group is covered by a glacier which has transported massive sulphide boulders to the valley below. Grab samples from the boulder population commonly assay up to 5% copper and occasionally up to 2,500 ppb gold. The boulders consist of mostly pyrite and magnetic pyrrhotite.

A 1 km long aeromagnetic high is located 7 km east of Windy Craggy beneath the East Arm glacier and is the postulated source of the sulphide boulders. Geophysically, this anomaly bears a striking resemblance to Windy Craggy. It was tested in 1987 by two holes drilled through the glacier, the first hole returning 18 m of bedrock core composed of massive sulphides interbedded with graphitic shales.

The sulphide-bearing sections were anomalous in both base and precious metals with assays as high as 2.05 g Au/t, 1.7% Cu and 2.2% Zn over a core length of 0.71 m within a 10.27 m section that averaged 1.00 g Au/t, 1.51% Cu and 0.78% Zn. Subsequent drill testing in 1989 intersected argillitic sediments believed to be the distal facies equivalent of the massive sulphides. The drilling was carried out 1,300 m south of the center of the magnetic anomaly along an EM anomaly near the edge of the glacier. A deposit of Windy Craggy proportions could comfortably fit between the two areas of drilling.

Another occurrence of volcanogenic massive sulphides known as the X-Showing is located 4 km south of the main magnetic anomaly. This polymetallic sulphide occurrence has yielded 40 g Au/t over a 1.2 m true width (28.11 g Au/t in oxidized material) with up to 3.7% Zn and is further evidence of the favourable massive sulphide setting of East Arm.

The Aerodat survey outlined four additional areas with Windy Craggy-type EM signatures on the southern area of the property which require drill testing and may be evaluated by Geddes if an option agreement is formalized.

A 1991 progress would contemplate the drill testing of the magnetic anomaly under the East Arm glacier via two 1,200 - 1,500 m drill holes. Ground surveys would be used to evaluate the Windy Craggy-type EM anomalies recently located in the southern area of the property.