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MINING PROPERTIES

FOR SALE, OPTION OR JOINT VENTURE

Toodoggone Gold - Silver District

Northern British Columbia

INTRODUCTION

For the past several years the Toodoggone gold-silver district has been actively explored by both major mining companies and junior resource companies. Deposits of note include one past-producer (DuPont's Baker Mine), one property at the feasibility stage (Serem's Lawyers deposit), and a number of others at the drilling stage (Newmont, St. Joe, Energex). This camp is relatively young, and new discoveries are still being made.

At present access is by air, but it is believed that the B.C. government will shortly complete the Omineca Mining Road into the district. This would result in substantially lower freight costs and improved economics to new mines.

Since 1982 Newmont has carried out a comprehensive regional program of geochemical surveys, prospecting and property examinations. Two significant new finds resulting from this are their Golden Lion and Shasta Projects. Aside from these two projects, about \$300,000 has been expended in the district so that the search has now been narrowed down to five properties in the target-definition or pre-drilling stage of exploration. All five have been staked to cover mineralization and/or favourable geologic conditions.

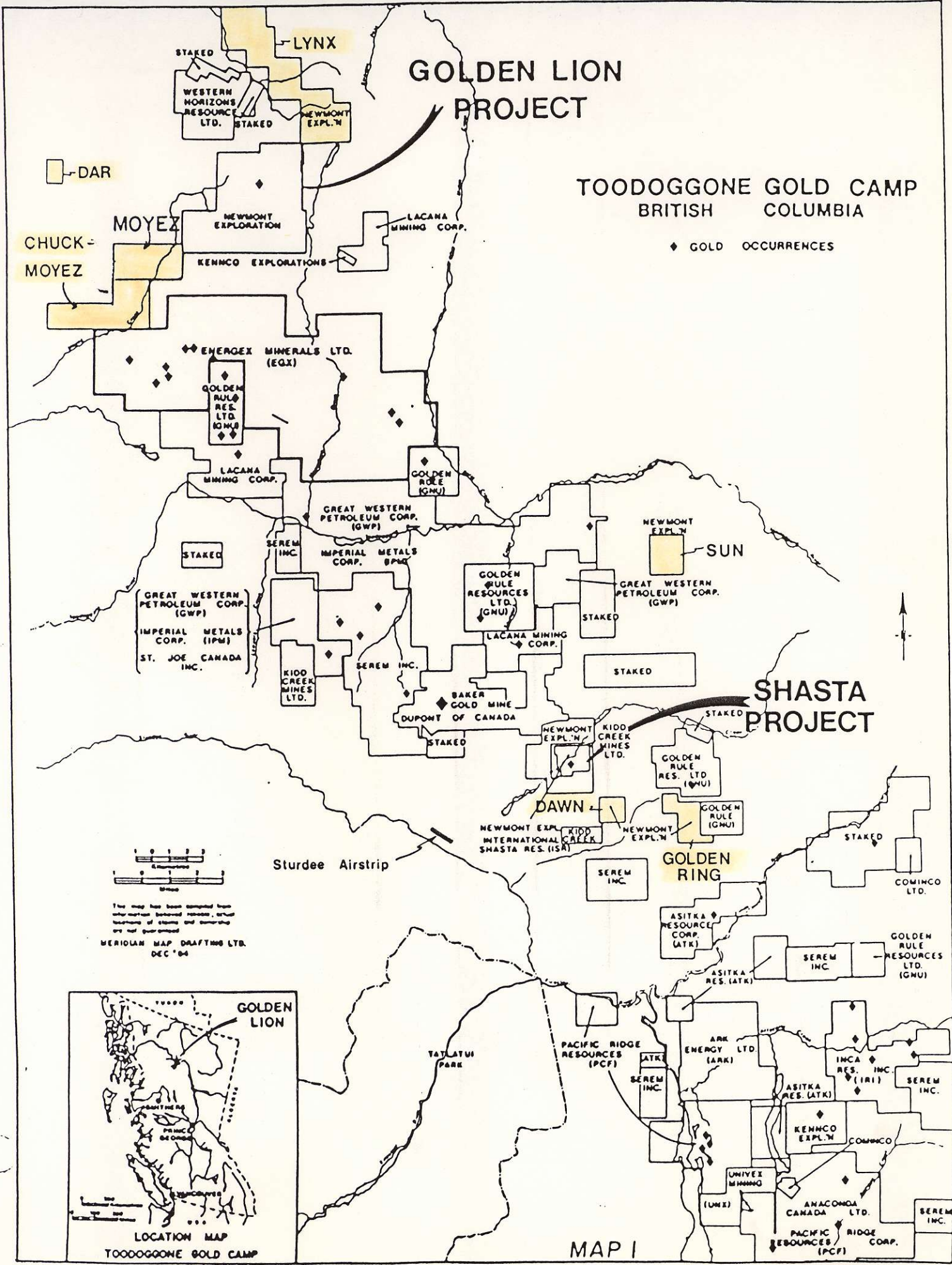
In order to spread its available resources over a number of projects, Newmont would like to sell, option, or joint venture the five properties referred to above. Terms are negotiable. Newmont would be pleased to carry out the exploration work.

A location map and summary report on each property follow. For further information please contact Gerry Delane or Terry Macauley.

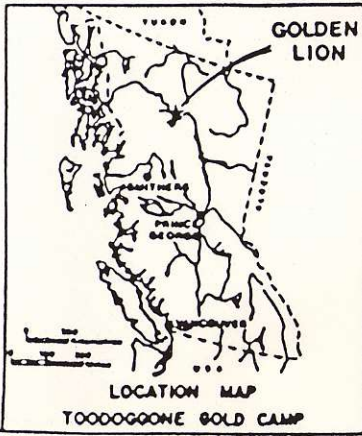
GOLDEN LION PROJECT

TOODOGGONE GOLD CAMP
BRITISH COLUMBIA

◆ GOLD OCCURRENCES



This map has been compiled from information obtained from various sources and the accuracy of the same and ownership are not guaranteed.
MERIDIAN MAP DRAFTING LTD.
DEC '84



DAWN

Summary

The DAWN claims were staked in September 1983 on the basis of favourable geology and proximity to the Shasta property. Detailed examination of the property in 1984 consisted of geological mapping, 270 soil samples and 100 rock chip samples. Zones of silicification, gossan and quartz veining are found within both the Toodoggone and Takla volcanic rocks. A large gold soil anomaly is related to a zone of brecciated Toodoggone rocks which contain up to 800 ppb Au/81 ppm Ag over 1 m. A separate gossanous silicified zone in Takla rocks returned rock chip values of up to 1670 ppb Au (0.05 oz/ton Au).

Location and Access

The property is located 279 km north of Smithers, at 57° 14'N, 126° 57'W (N.T.S. 94E/2E). Access is by charter plane to the Sturdee airstrip and then 9 km to the NE by helicopter.

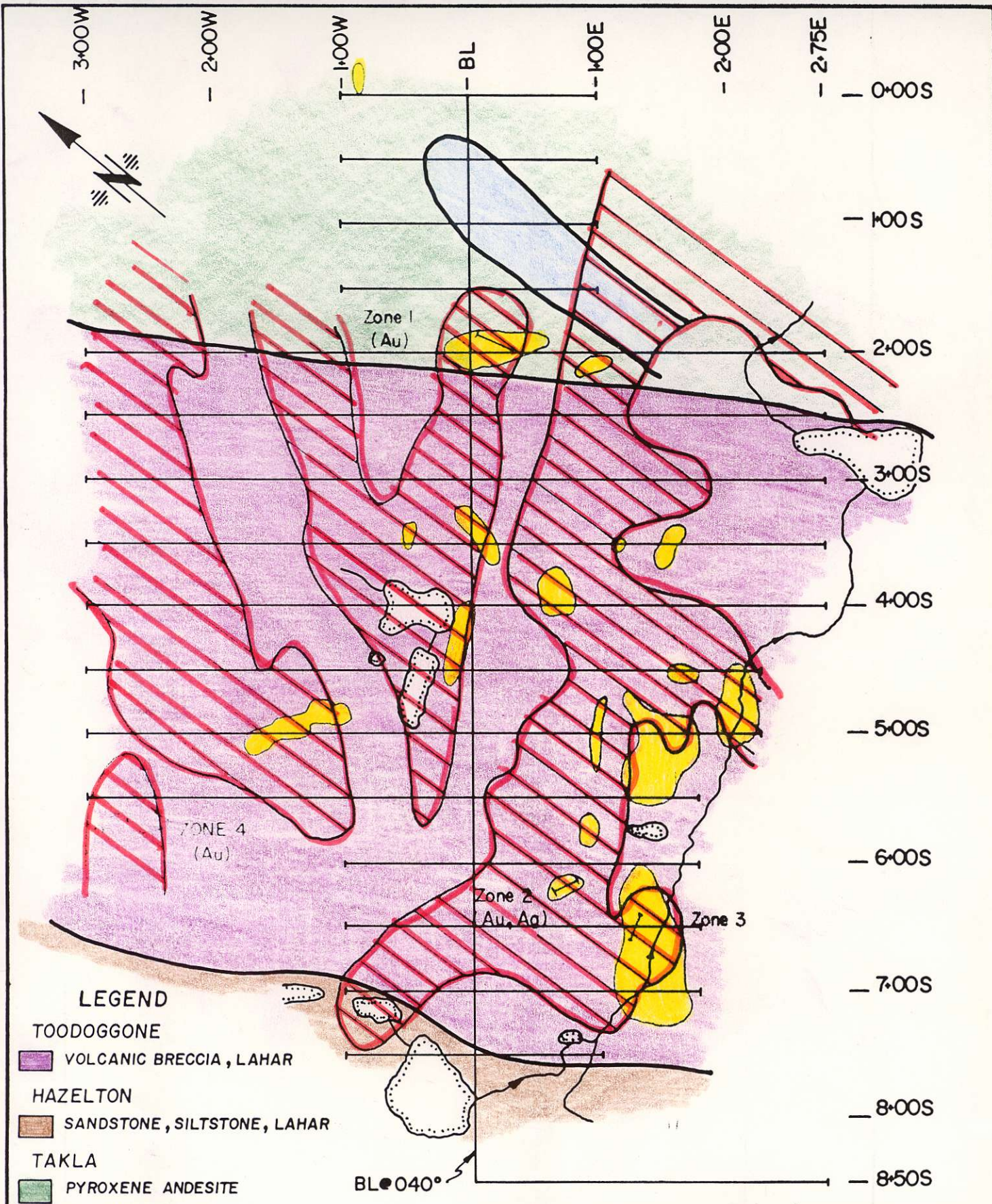
Property and Title

The property consists of one claim (DAWN, record No. 5795, Sept. 1983) comprising 9 units. It is in good standing to Sept. 1986 and is wholly owned by Newmont.

Geology and Mineralization

The DAWN property is located on a 3.5 x 5 km block of Toodoggone Volcanics that is flanked by Middle Jurassic granodiorite and Takla Group volcanics. The area appears to be strongly faulted, breaking it up into many small blocks. Veins of white quartz and carbonate up to 2 m thick and 40 m long cut all the volcanic units and are occasionally mineralized with minor galena, sphalerite, and chalcopyrite. Grey quartz veins with amethystine sections are also present.

Soil sampling of a 7 line-km grid demonstrated the presence of a large gold in soil anomaly (500 m x 550 m of +25 ppb Au), open to the west. Soil profile pits dug at five locations within this anomaly show gold values increasing with depth (e.g. 240 ppb @ 10 cm to 3220 ppb @ 50 cm), confirming that the gold is local in character.



LEGEND

TOODOGGONE

VOLCANIC BRECCIA, LAHAR

HAZELTON

SANDSTONE, SILTSTONE, LAHAR

TAKLA

PYROXENE ANDESITE

VOLCANIC BRECCIA

GOSSAN

CHIP SAMPLE ZONE

ANOMALOUS Au in soil > 25 ppb Au



SCALE

NEWMONT EXPLORATION OF CANADA LTD.

DAWN PROPERTY

SCALE 1 : 4 000

LOCATION 94 E/2E

DATE FEB. 11, 1985

SURVEY BY D.V.

DRAWN BY I.C.

NO.

The soil anomaly is related to a zone of brecciated Toodoggone rocks which has been variably silicified and has occasional gossan development. It contains up to 800 ppb Au and 81 ppm Ag over 1 m rock chips. To the east of Takla Group volcanics, a gossanous silicified zone is also anomalous with rock chip values up to 1670 ppb Au.

Suggested Program

Prospecting
Geophysics (VLF-EM) over grid
Extension of soil sampling grid
Rock chip sampling
Trenching
Provision for drilling, 3 holes - 600 m

SUN

Summary

The SUN property was staked by prospector C. Kowall in October 1981 and optioned to Newmont in January 1982. A 100 ppb Au silt anomaly from a preliminary survey in 1982 led to soil and rock chip sampling and prospecting in 1983 which discovered a silicified gossan with values of up to 850 ppb Au and 54 ppm Ag (0.027 oz/ton Au and 1.7 oz/ton Ag).

Location and Access

The property is located approximately 4 km south of the east end of Toodoggone Lake, or 298 km north of Smithers, at 57° 23'N, 126° 55'W (NTS 94E/7W). Access is by charter aircraft to the Sturdee airstrip and then 25 km NE by helicopter.

Property and Title

The SUN 2 claim consists of 20 units (record no. 4423, Oct. 9). The claim is in good standing until October 1985. The claim is covered under an option agreement that includes various other properties in the Toodoggone.

Geology and Mineralization

The property is underlain by Lower Jurassic Hazelton Group andesitic breccia and conglomerate, intruded by small irregular bodies of syeno-monzonite. Quartz and quartz-carbonate veins, showing no preferred orientation, cut the volcanic rocks and locally contain minor amounts of chalcopyrite, galena, and sphalerite. Pyrite in amounts up to 5% is found as fine disseminations within gossans; a soil sample taken near one of these returned values of 165 ppb Au, 14.4 ppm Ag. In a separate zone about 700 m away, rock chip sampling returned anomalous values of up to 850 ppb Au, 54 ppm Ag over 1 m widths (or 250 ppb Au, 14 ppm Ag over 12 m).

Suggested Program

Prospecting
Geophysics (VLF-EM) over grid
Extension of soil grid over larger area
Rock chip sampling
Hand trenching
Provision for drilling, 3 holes - 600 m.

GOLDEN RING

Summary

The GOLDEN RING property covers favourable geology (Toodoggone volcanics) along strike from the International Shasta property. Encouragement from initial silt sampling has led to preliminary soil and rock chip sampling, which have demonstrated the presence of anomalous gold and silver values associated with silicified and stockworked zones.

Location and Access

The GOLDEN RING property is centered 3 km to the northeast of Drybrough Peak, approximately 280 km north of Smithers, at 57° 14'N, 126° 54'W (NTS 94E/2E). Access to the property is by charter aircraft to the Sturdee airstrip and then 13 km east by helicopter.

Property and Title

The property consists of two claims (GOLDEN RING: 20 units, record no. 5575, July 29, 1983, and GOLDEN RING 2: 6 units, Sept. 17, 1984, no record no. yet). These claims are wholly owned by Newmont and are in good standing until July and September, respectively, of 1985.

Geology and Mineralization

The GOLDEN RING property is underlain by Lower to Middle Jurassic Toodoggone volcanics comprising an assemblage of intermediate tuffs and flows. Hornblende-feldspar porphyry dikes with scattered calcite veins cut the tuffs and tuff-breccias. Minor irregular salmon-pink syenite bodies, with 1-2% disseminated pyrite, also intrude the volcanics. Zones of silicification, without sulfides, have associated anomalous precious metal values. One very large (5 x 8 m) float boulder at the base of a cliff was chip sampled over 1.5 m and returned 950 ppb Au, 55 ppm Ag. Stream silt sampling in 1983, in this same cirque, showed values up to 490 ppb Au, and reconnaissance soil traverses in 1984 have confirmed the presence of large areas (600 m long by up to 300 m wide) of anomalous gold values (over 50 ppb) in the area where the boulder was found. This prompted staking of the adjoining GOLDEN RING 2 claim to cover attractive ground.

Suggested Program

Extensive rock chip sampling and prospecting of the cliffs
above the stockworked float boulder.
Provision for drilling, 3 holes - 600 m.

LYNX

Summary

The LYNX claims were staked in June 1984 on the basis of favourable geology. Prospecting outlined three areas of silicification, on which detailed grid work comprised soil sampling, mapping and geophysical surveying (magnetometer, VLF-EM and resistivity). In addition, silt samples were taken from streams located on the property. Soil samples returned primarily background values in gold and silver for the three grids. Geophysical surveys outlined areas of high resistivity and magnetics, along with some VLF conductors. These appear in part to be related to areas of silicification and geologic contacts.

Location and Access

The property is located 320 km north of Smithers on Mt. McNamara, at 57° 35'N, 127° 12'W (NTS 94E/11). The claims adjoin the Golden Lion property on the north. Access is by charter aircraft to the Sturdee airstrip and then a further 40 km north by helicopter.

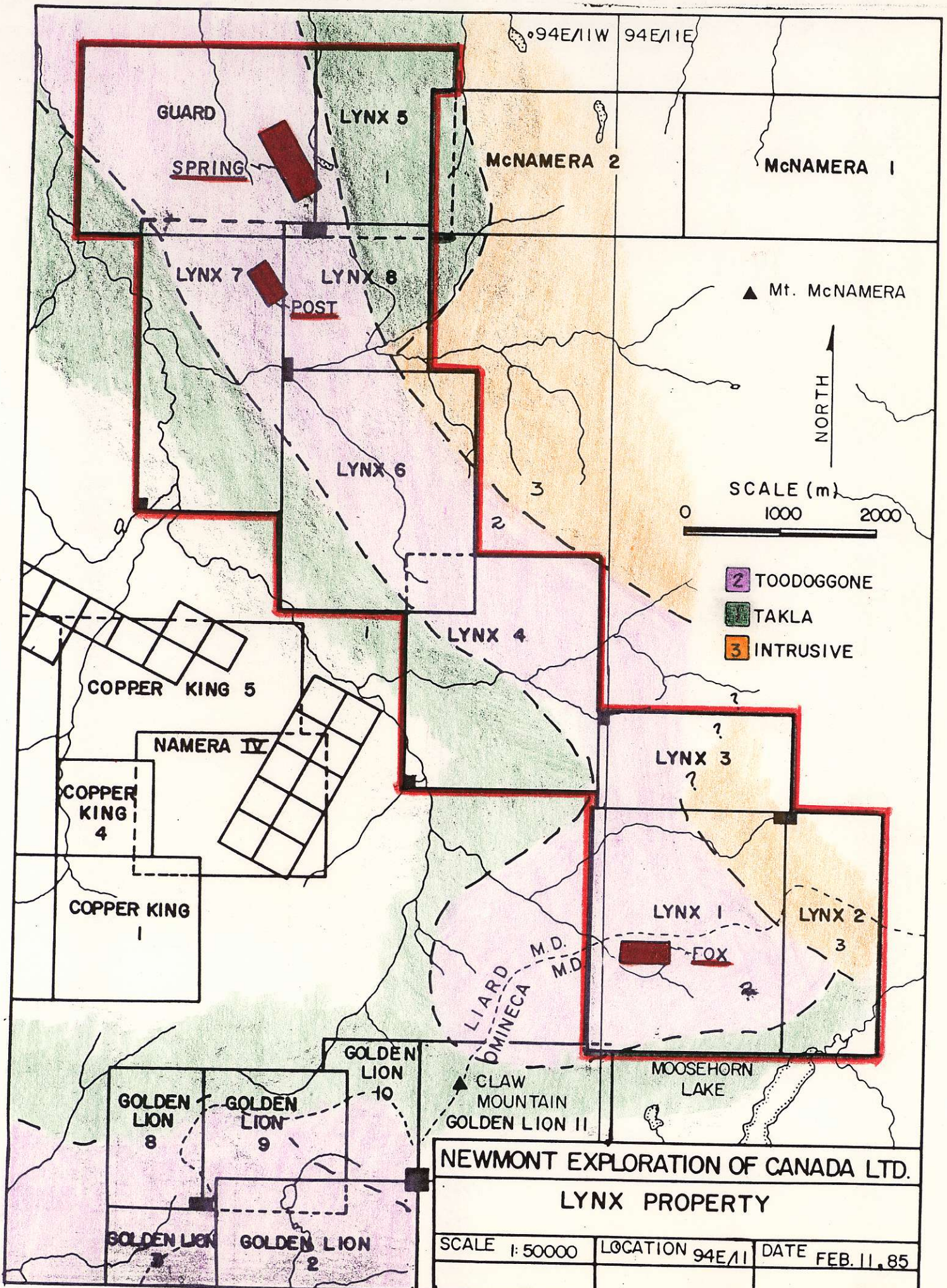
Property and Title

The LYNX 1-8 and GUARD claims total 140 units (record nos. 3078-3084, 3125 and 3085; June 29, 1984 and July 19, 1984). They are wholly owned by Newmont and are in good standing until June 29, 1985. The 1984 program will be filed as assessment work prior to that date.

Geology and Mineralization

The LYNX claims are underlain by Jurassic Toadogone and Triassic Takla Volcanics into which irregular granodiorite bodies have intruded. To date, three zones of silicification (Spring, Post and Fox) have had detailed examinations carried out on them. Grids cover less than 5% of the area within the claim boundaries.

The Spring grid covers a zone of siliceous sinter that contains beds of nodular agate and opal along with amethystine quartz and quartz in a zone 800 m long and up to 100 m wide. Soil sampling produced some weakly anomalous gold



values with no distinctive trends being outlined. The VLF survey detected several conductors which correspond with geologic contacts, while the magnetometer outlined several highs that reflect geologic units. The resistivity survey showed irregular zones of higher resistivity corresponding to silicified tuffs.

On the Post grid a silicified zone 130 m x 540 m has been mapped. Soil sampling showed background values in gold throughout. Silver values are generally low; however, in the south end of the grid they reached 7.2 ppm Ag. Rock chipping conducted in an area of silicified rubble and outcrop showed minor silver (4 ppm Ag) to occur, with gold values being uniformly 5 ppb. The magnetometer survey showed sharp contacts and gradients possibly reflecting dykes. The resistivity outlined two areas of interest, while the VLF failed to detect any conductors.

On the Fox grid a silicified stockwork zone occurs intermittently over a 300 m x 50 m area. Minor galena and pyrite are observed erratically distributed within the quartz veins. Magnetics outlined NW trending units, while the VLF resistivity and EM surveys did not show any significant zones. Rock sampling has not yet been done.

Suggested Program

Prospecting and rock sampling to find new zones on which detailed grid work would then be done.

DAR

Summary

The property was staked after prospecting had located four quartz vein zones ranging up to 2 m thick which contained minor galena, sphalerite, and chalcopyrite. Best rock chip values in these veins (1-2 kg samples) were 2790 ppb Au/5.7 ppm Ag.

Location and Access

The property is centered 326 km north of Smithers, 14 km west of Claw Mtn. (Golden Lion property), at 57° 33'N, 127° 32'W, NTS 94E/12E. Access is by charter aircraft to the Sturdee airstrip and then a further 36 km NW to the property by helicopter.

Property and Title

The DAR property consists of one modified grid claim of 6 units (record no. 2463, Sept. 14, 1982). It is wholly owned by Newmont and is in good standing to September 1985.

Geology and Mineralization

Regional mapping has shown the property to be underlain by Lower-Mid Jurassic Toodoggone Group volcanics, consisting of grey to maroon tuffs. Quartz veins cutting these two tuff units are less than 2 m thick, strike 060°, and are surrounded by potassic silicic alteration zones. The veins are occasionally vuggy and contain sparse galena, sphalerite, and chalcopyrite. The veins are geochemically anomalous in Cu (2500 ppm), Pb (2800 ppm), Zn (1800 ppm), Ag (5.7 ppm) and Au (2790 ppb).

Suggested Program

Geophysics (VLF-EM, resistivity surveys)
Trenching for vein extensions and rock chip sampling
Diamond drilling for vertical zonation