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# Lectus Developments Ltd.

## Executive Summary

Project: Star Property / Gold Eagle #3, Nelson, B.C.  
A Lectus - Reymont - U.S. Borax Joint Venture

### Holdings

U.S. Borax's Star Property and Lectus/Reymont's Gold Eagle #3 are contiguous.

### Expenditures for 1988

Lectus/Reymont will spend \$400,000 on U.S. Borax's Star Property over 3 years to earn a 50% interest. U.S. Borax will spend \$400,000 over 3 years to earn a 50% interest in Gold Eagle #3. A joint venture will be formed when both groups complete these expenditures. Asarco will retain a 3% NSR in the Gold Eagle #3.

### Work That Led to Discovery

Geochemical and geophysical surveys carried out by U.S. Borax and Asarco have indicated an extensive gold anomaly associated in places with copper and silver. Drilling (15 reverse circulation holes) on the Star Property has confirmed these findings. All 15 holes encountered anomalous gold values. Twelve of the fifteen holes have mineralized sections of sufficient grade and width to be of economic interest.

### Geology

A large IP anomaly (+2,000m. x 200m.), coincident with a high gold geochemical anomaly, passes all the way through both properties from north to south along their common boundary, and continues on to the south.

Trenches and drill holes have indicated a very thick stratabound area of mineralization containing pyritized silicified felsic volcanics. The one area of outcrop (+100m.) of this anomalous zone is reported to assay between .015-.05 (Kaufman) and .05-.10 (Salazar).

The overall picture seems to consist of a thick arcuate band of mineralized volcanics (stratabound?) coming from the southeast and eventually dissipating into a dioritic intrusive which is also mineralized.

### Economic Geology and Drilling Highlights

Three northerly trending structures along a strike length in excess of 3,600 ft. have been recognized: the Alma N., the Star, and the Eureka. Gold grades in these structures are enhanced relative to the surrounding anomalous areas over widths of tens to hundreds of feet.

Drilling has identified mineralized zones that contain narrow high grade sections (+5 ft. of .25 OPT gold to 1.0 OPT gold), medium width medium grade sections (+.09 OPT gold to .20 OPT gold over 15 ft. and .10 OPT gold over 100 ft.) and broad low grade zones including a possible 300 ft. of .03 OPT gold with significant copper and silver values.

## Drilling Highlights

### Alma N Zone

Hole #3 cut a twenty-foot thickness averaging .219 OPT gold from 95 ft. to 115 ft. in the hole, including a five-foot thickness grading .517 OPT gold, and a deeper intercept from 170 ft. to 185 ft. averaging .169 OPT gold. The whole interval from 85 ft. to 205 ft. (120 ft.) averages .09 OPT gold.

One hundred fifty feet south of Hole #3, Hole #5 hit an uncut 155 ft. section from 90 ft. to 245 ft. which would average .126 OPT gold. This is heavily influenced by a five-foot section (225 ft. to 230 ft.) running 2.76 OPT gold. Included are a ten-foot section (125 ft. to 135 ft.) of Hole #5 which ran .168 OPT gold, and an 85-foot section (90 ft. to 175 ft.) which averaged .056 OPT gold.

Hole #11, which is one hundred fifty feet south of Hole #5, intersected thirty-five feet (80 ft. to 115 ft.) averaging .032 OPT gold, and a twenty-five foot section (295 ft. to 310 ft.) averaging .138 OPT gold, including fifteen feet of .201 OPT gold and five feet of .495 OPT gold.

Hole #6, which is three hundred feet north of and offset somewhat to the west of Hole #3, intersected 275 ft. averaging .015, including five feet of .16 OPT gold.

Information taken from earlier reports indicates that trenching and crosscutting in the vicinity of Hole #5 encountered forty feet averaging .17 OPT gold.

### Star Zone (.65 km. NW of Alma N):

Two holes, #8 and #10, cross-sectioned a fairly large geochemical anomaly within a larger zone of interest, and indicated a possible true width of 300 ft. grading .03 OPT gold. The best intersection was in Hole #10 from 45 ft. to 150 ft. averaging .048 OPT gold, .33% copper, and .13 OPT silver. This includes a thirty-foot section (95 ft. to 125 ft.) averaging .093 gold, .68% copper and .22 OPT silver.

### Eureka Zone

This zone has the most prominent mention in the literature of the early 1900's. Approximately 10,000 tons of copper-gold-silver ore were produced at that time. Diamond drilling in the 1950's encountered values including 8 ft. of .40 OPT gold when the property was being explored for copper.

Hole #13 of the present program, located 150 ft. from the old working, encountered 65 ft. in the bottom of the hole (330 ft. to 395 ft.) averaging .0278 OPT gold, .15 OPT silver and .165% copper. This hole was subject to very heavy water flows causing a severe loss of fines. Assays of fines from this same interval were .042 OPT gold, .27 OPT silver and .28% copper including the last five feet which assayed .18 OPT gold, 1.5 OPT silver and .33% copper.

## Recommendations

Favourable drilling results on the Alma N, Star, and Eureka mineralized zones warrant a follow-up. Fill-in, extension and deep drilling will be required to adequately test the Alma N zone, and reconnaissance drilling will be required to explore the Star and Eureka areas. The vast area of anomalous IP response occupying the largely overburden-covered valley of Sandy Creek, east and southeast of the above-mentioned known mineralized zones, remains a practically untested target. The thick section of mineralized volcanoclastics exposed within the southeastern portion of the response area, is a promising target as is its northwesterly projection.

Core drilling as well as angle rotary holes will be necessary to test the various targets. The Lectus/Reymont/Borax budget of \$400,000 on the Star Project and \$400,000 on the Gold Eagle #3 will cover this program.

# LECTUS DEVELOPMENTS LTD.

## Executive Summary of Progress through 1987

- PROJECT:** Give Out Creek; Nelson, B.C.
- TARGET:** Sulphide quartz carbonate gold veins in volcanics and syenite
- HOLDINGS:** 80 units with a combination of Crown Grants, modified grid and two post stakings. Further negotiations are underway for the optioning of more land.

### WORK THAT LED TO DISCOVERY:

The area was extensively explored in the past starting in the late 1800's. Significant production in silver and copper was achieved in the Silver King Mine adjoining to the south of Lectus (220,000 tons 3.4% copper and 20.0 oz.silver) and in gold at the Athabaska, Venus, Juno and California mines to the north (approximately 75,000 oz.gold from 100,000+ tons). Lectus acquired almost all of the intervening ground through options and joint venture (Asarco) in 1984-85, and began a program under G. Salazar S., P. Eng., consisting of IP, geochemical, mapping and prospecting (plus check work on previous Asarco data).

A large shear zone (+6,000 feet x 600 feet) with pyrite and quartz carbonate mineralization was detailed and seven targets were identified. Mr. Salazar chose No. 3 for an initial hole based on IP and geochemical surveys. The site was moved 30 meters westward after discovery of a sheared mineralized zone while preparing to move a drill in. DDH 86-1 (the discovery hole) intersected 4.94 meters averaging 0.182 gold including 0.70 meters of 0.86 gold.

### INFERRED ECONOMIC POTENTIAL:

Total expenditures through January 1988 are \$578,000. Ten thousand feet of diamond drilling have been completed (6 holes in 1986 and 21 holes in 1987).

At the discovery site, a continuous zone of mineralization has been partially defined over a two hundred foot length. Using a weighted average of 0.18 OPT gold, 100,000 tons may be inferred to a depth of 200 feet. An additional 100,000 tons grading in excess of 0.04 gold may also be inferred. This shoot is open to depth and lies in a strong NW-SE chargeability anomaly coincident with a prominent gold geochemical high that has a continuous strike length of 1,800 feet.

Trench K7, 200 feet to the south, has yielded 5 meters of 0.210 gold, 2 meters 0.138 gold, 1.5 meters of 0.309 gold, and 212 meters of 0.062 gold. Another trench in the current program has exposed a wide zone of fine pyrite with quartz stringers immediately adjacent to the west and parallel to the K7 zone. This new zone is described in the literature as carrying values across 28 feet (8 feet of 0.28 OPT gold and 20 feet of 0.1 OPT gold).

Drilling in this area could rapidly double the inferred reserves. The last hole of 1987 encountered this zone at 300 feet in the hole (0.094 gold over 4 feet). One hundred and sixty feet to the north, hole 87-15 cut 10 feet of 0.095 gold. Hole 87-5, 500 feet north of 87-15, cut one foot of 0.14 gold, plus numerous sections of lower grade.

The terrain at the discovery zone has a 280 foot elevation change along strike. This, plus the near vertical attitude of the mineralization, make open pit quarry mining an option. The low grade zones that parallel the better material could be mined cheaply, and an average grade of 0.1 gold could be maintained by sorting in the pit.

The discovery zone has been intersected by drilling over a total length of 860 feet. The area where the work has been concentrated is bounded on the north by the Poje Tunnel (1 oz. gold across 3 feet by Murton in 1987) and the Starlight Tunnel on the south (0.05 oz. gold, 1 oz. silver over 6 feet by Salazar 1987). A total distance of 3,000 feet of strike length, containing a strong IP response and anomalous gold in soils, remains on the Lectus property, and requires detailed exploration.

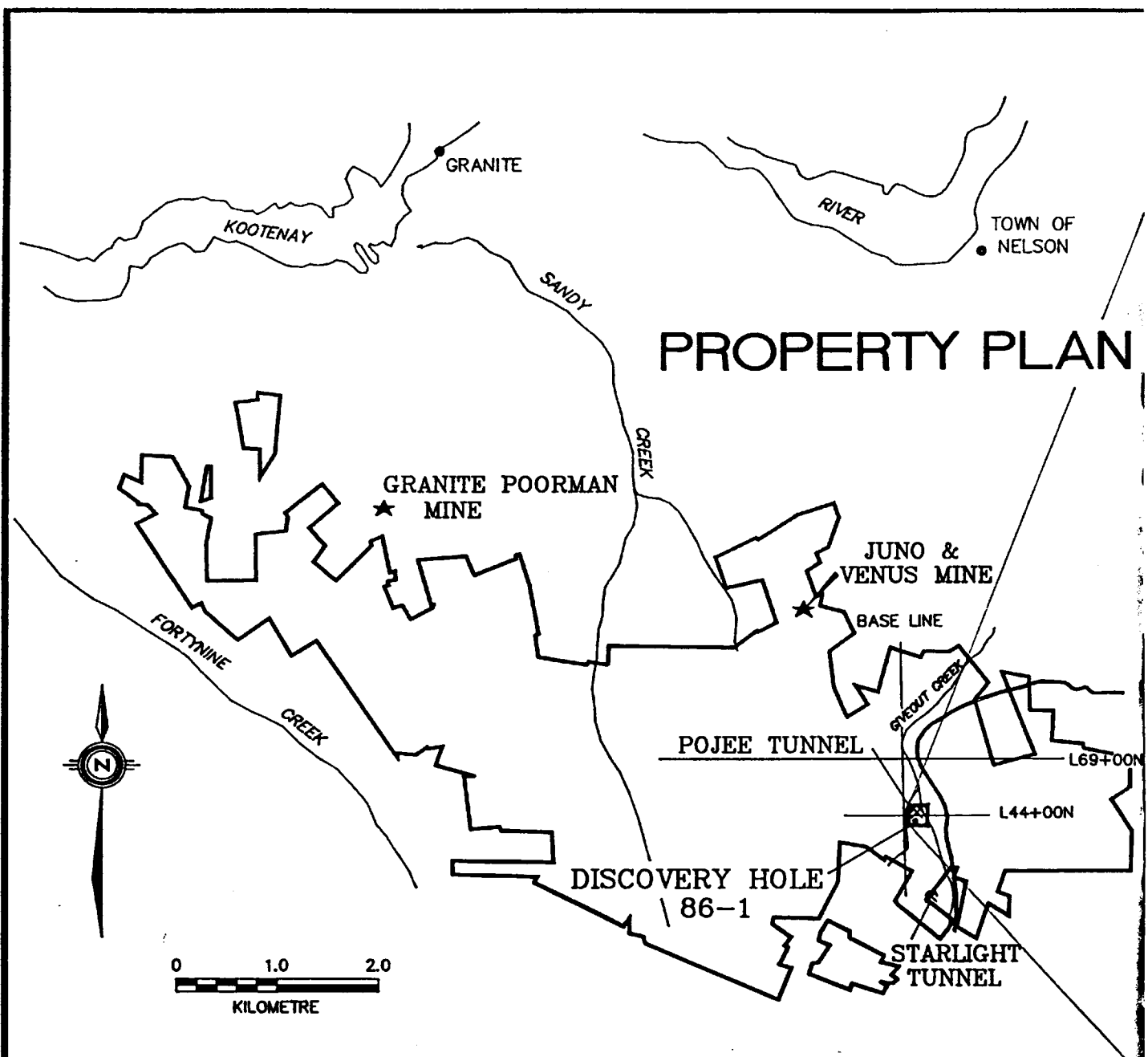
The geologic setting of gold mineralization on this property is similar to the neighbouring producers (including Granite Poorman [174,000 tons 0.37 oz. gold]). A new discovery of high grade gold (0.75 oz. gold over a mineable width for a strike length of 200 feet) exists within an envelope of medium and low grade material. The high grade zone has been encountered in six holes.

## **RECOMMENDATIONS:**

Further exploration should be undertaken to increase present reserves in the immediate discovery zone area. The drill-indicated mineralized zone is open to the north, south and to depth. Testing along strike of the anomalous trend should continue with attention being paid to the high grade sections in the Poje and Starlight tunnels. The object should be to indicate a threshold reserve in mineable ounces for production consideration.

The K2 trench zone has an immediate potential of an additional 25,000 ozs. to shallow depth. The probability is excellent for the discovery of other high grade zones in the Give Out Creek shear zone. Further attention should be paid to some of the lower grade zones that have open pit potential such as those encountered in holes 86-4 and 87-6.

The newly joint-ventured Alma N. discovery, larger and higher grade than the discovery zone, should enhance the possibility of achieving the minimum ounces (75,000 to 100,000). At the same time that these programs proceed neighbouring properties should be examined as possible acquisitions.



## HIGH GRADE ASSAY RESULTS

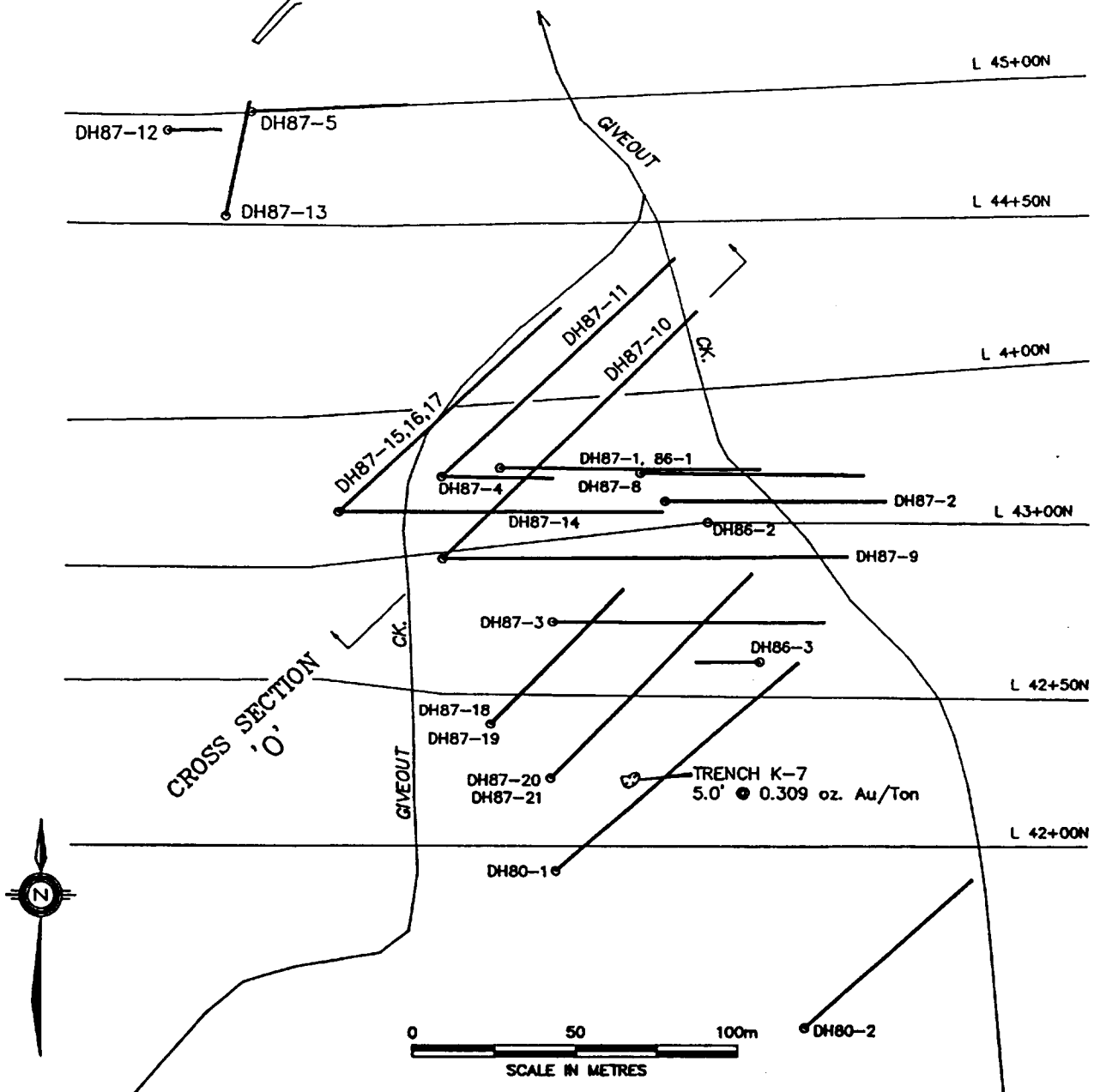
WITHIN THE TYPE A HIGHER GRADE ZONES, MINEABLE WIDTHS OF HIGH GRADE HAVE BEEN ENCOUNTERED:

DH. No.	WIDTH IN FEET	oz/ton GOLD	DH. No.	WIDTH IN FEET	oz/ton GOLD
DH86-1	5.6	0.469	DH87-4	0.3	0.650
	1.7	0.248	DH87-6	0.2	0.594
DH87-1	0.6	0.364	DH87-9	1.9	1.154
	6.7	0.300	DH87-10	6.2	0.730
DH87-3	1.3	0.224			
	3.5	0.142			
	2.0	0.577			
	2.8	1.715			
	1.0	0.523			
	0.7	0.238			
	0.5	0.214			
	1.2	0.426			
	1.0	0.206			

THESE GOLD GRADES CONFIRM THE POTENTIAL OF A HIGH GRADE DEPOSIT.

POJEE PORTAL

# DRILL HOLE SKETCH



## LECTUS DEVELOPMENTS LTD.

### GREAT WESTERN PROJECT

### DRILLING RESULTS

FEBRUARY, 1988

Prepared By RWR MINERAL GRAPHICS LTD.







LECTUS DEVELOPMENTS LTD.		
GREAT WESTERN PROPERTY		
NELSON MINING DIVISION, B. C.		
CLAIM MAP		
SEARCHLIGHT RESOURCES INC.		
DATE: DECEMBER, 1987	SCALE: 1:40,000	FIGURE No. 2