

Woodak  
Aug/94

\***Red Mountain** was examined on Aug 19 with Hans Smit leading a group of 14 EMPR, MDRU and exploration geologists. Construction of the Bitter Creek road to the lower tram station and bench for the upper tram/lower portal were all under construction, as part of the advanced exploration program. Although not stated "officially" it is clear the project needs a new discovery or exploration break-through to augment the Marc and AV zones (which contain 800,000 oz, short of the 1,000,000 oz minimum target- CONFIDENTIAL!). The JW zone is narrow and grade is not high enough, GY geophysical target is primarily graphite and the 141 zone has not developed beyond the initial drill intercept of 3.8 g/t Au over 34 meters. Drilling continues with 2 rigs underground (30,000 ft to date in 1994) and 2 on surface with another about to start (approx 50,000 ft expected). Refinements to geological interpretation continue; mineralization is thought to be derived from an early intrusive phase (the term Hillside porphyry is now passe) and the main Goldslide stock, although related, is post-mineral. Thus the Marc zone is truncated by the stock and hopes are high for a new zone southeast of the stock, named the Marc Extension which is being explored by trenching and drilling. Lac is employing several prospectors and a geological team working closely with GSC regional mapper Charlie Greig, to explore their own ground and evaluate others.

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