

THE RED MOUNTAIN GOLD DEPOSIT, STEWART B.C.

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Talk presented at Minerals North Conference,
Stewart, B.C.
On Friday, April 12, 1991
by David Kennedy, Bond Gold (Lac Minerals)

Notes by: D.J. Aldrick and M.L. Malott

The Red Mountain deposit lies 18 km east of Stewart in the center of a huge claim block that measures 20 km east-west by 30 km north-south.

Infrastructure for the property is good. The town of Stewart is nearby, Highway 37 (paved) and the national power grid pass within 16 km of the property, and an old logging road up Bitter Creek stops a few kilometers short of the exploration camp. Last year (1990) the company had a 40-man camp (intermittently up to 50) with up to 4 diamond drills operating. Current plans are to extend the road to the camp area if underground development is warranted.

The main deposit and main exploration emphasis to date is the Marc Zone which is on a small claim option near the center of the larger claim block. This smaller claim block, the Wotan, is optioned from prospector, Charles (Chuck) Kowall, the large block of surrounding claims is owned outright by Lac Minerals/Bond Gold. Lac Minerals is the overall owner, but its subsidiary, Bond Gold is the operator.

Country rock in this area is andesitic pyroclastics of the Unuk River Formation. These are intruded by the "Goldslide intrusion" located at the head of Goldslide Creek. This stock has been known for a long time and was worked as a molybdenum prospect many years ago; several old drill collars have been located near the margin of the stock (The stock is shown on Ted Groves coloured map, east of, and above the Bromley Glacier, Bulletin 68; the old molybdenum prospect was known as McAdam Point. See Minfile #103P-7, -86, -220, and -221).

The company believe the Goldslide stock was likely a significant factor in localizing the gold-silver mineralization as well as the spatially separate molybdenum mineralization. Lac Minerals-Bond Gold optioned the property because of its similarities to the setting of other high-grade gold veins in the district, described in a B.C.M.E.M.P.R. report (Paper 1985-1, p.337).

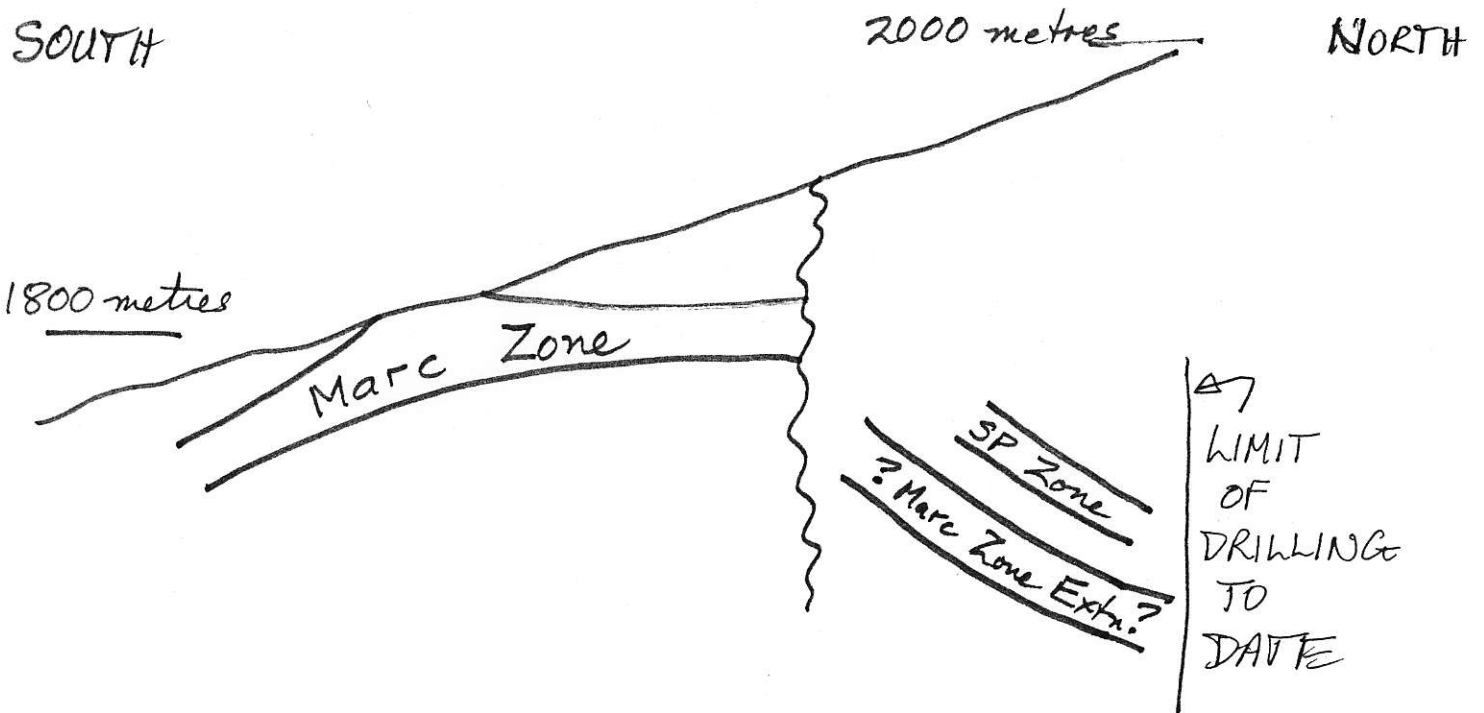
Red Mountain is well-named because it is highly gossanous. Country rock is andesite pyroclastics. The Marc zone is exposed on the mountain side. From a distance, the mineral zone is visually indistinguishable from the extensive gossans that cover the entire mountain. Scattered yellow alteration patches on the mountainside are composed of alunite and jarosite. They are believed to be secondary minerals, but in any case, one of these strong yellow patches originally inspired the prospectors to climb up and sample the small area of rock where the Marc Zone crops out.

The best exploration tool on this property is simple, thorough prospecting. The surface exposure is about 20 metres wide and has been hand-trenched. Grades across the entire 20 metres averaged 10 grams per tonne gold. Terrain was steep but relatively manageable, they were able to locate drill sites wherever needed. The deepest drillhole to date is 1700 feet and the best drill intersection to date: 57 metres @ 12.5 g/t Au. Published reserves are presented in the news article enclosed at the end of this report.

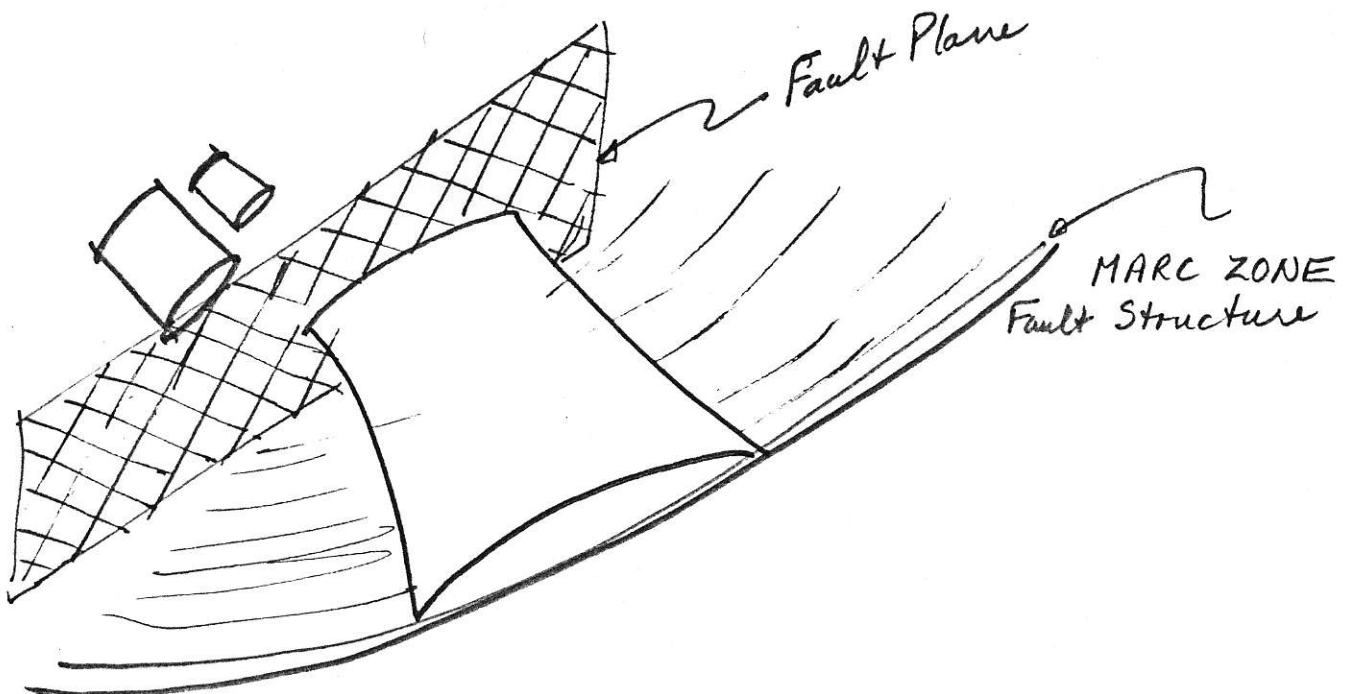
The zone itself is a thickened mineralized shear or fault. Mineralization consists of pyrite in quartz. The average concentration of pyrite is 15% but local sections may be semi-massive. Trace galena and sphalerite are also present.

IDEALIZED LONGITUDINAL SECTION OF MARC ZONE:

→
To Red Mountain



3-D VIEW OF MARC ZONE, LOOKING NORTH:



These two diagrams show a first approximation of what company geologists think might be happening. The deposit is still open to the north and still open to the south. In some areas it is still open down dip (to the west).

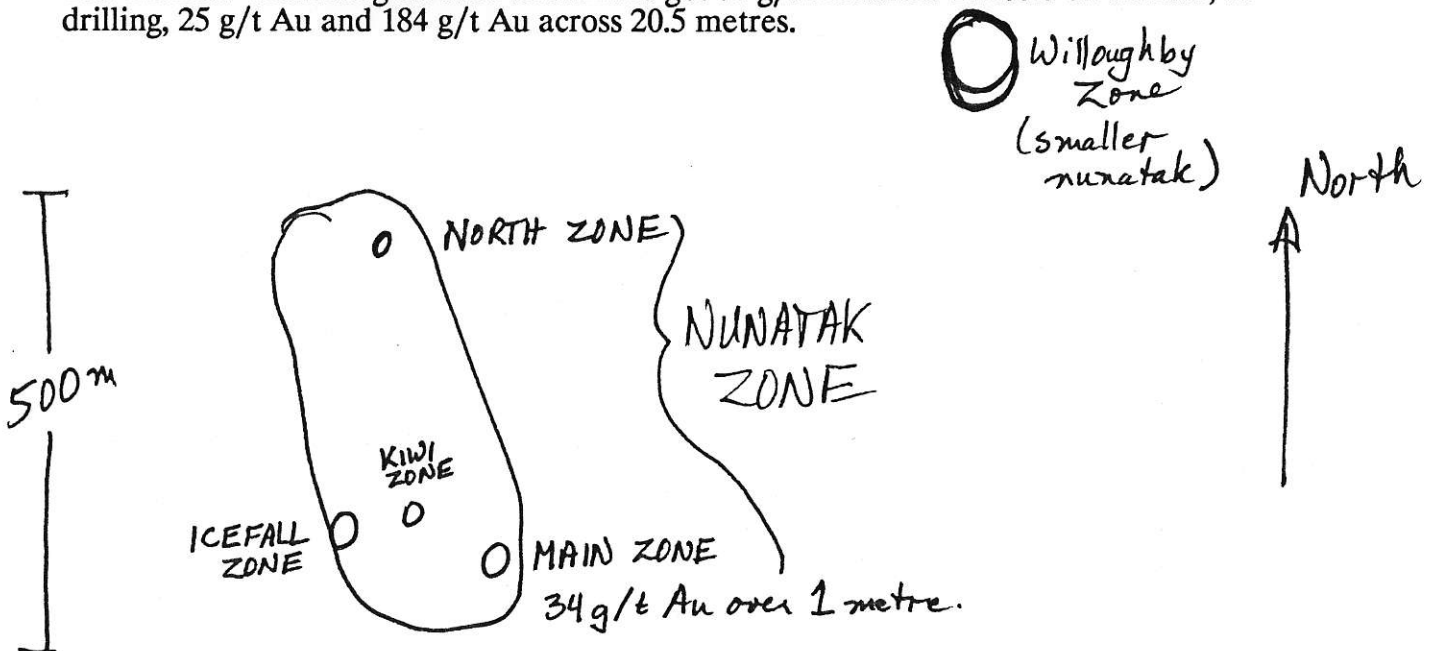
There are lots of other areas of strong alunite-jarosite alteration on the mountain. In some of these they have been able to pick up good gold values. The gossanous area around Red Mountain is huge, covering 16 square kilometres. There are many, many gold showings, but so far the company has really only followed up the Marc Zone. They have now flown airborne EM and mag and these surveys generated several geophysical targets that have yet to be followed up.

WILLOUGHBY CREEK AREA

The Willoughby Creek mineral showing is on a steep nunatak, surrounded by ice. This prospect was also found by prospecting. There were lots of sulphide boulders in the moraines lower down below the toe of the glacier. Some of these boulders ran 20-30 grams per tonne gold.

The north-trending nunatak is about 500 metres long, 150 metres wide and has 4 mineral occurrences. The Main Zone and North Zones are the most promising. The Main Zone is highly gossanous. In detail it is several lenses of very massive pyrrhotite-pyrite with some chalcopyrite.

The Main Zone outcrop has provided a best trench sample grading 34 grams per tonne gold over 1 metre. In drilling, the best intersection on the Main Zone is 7.5 g/t Au across 10.5 metres. Trenching on the North Zone got 71 g/t Au across 1 metre on surface; in drilling, 25 g/t Au and 184 g/t Au across 20.5 metres.



There is another zone on the Nunatak which the company has yet to drill; which grades 174 g/t Au across 1.4 metres.

Host rocks on the Willoughby Creek Nunatak are massive andesites, perhaps flows or possibly tuffs (E.W. Groves coloured map shows this area as a broad region of Bowser Lake Group turbidites).

Comments by D.J.Aldrck:

Details about the textures and mineralogy of the ore were conspicuous by their absence in this presentation, but there are enough clues to suspect that the deposit is similar to the class of high-grade "Transitional" gold veins of this district, eg. Scottie Gold Mine, Snip and Johnny Mountain. There is, therefore, a high probability of additional veins (perhaps with a similar geometry) within a few hundred metres of the contact of the Goldslide stock. The association of molybdenum with deposits of this age is rare, but not unknown; there are molybdenum-rich zones within the huge Mitchell-Sulphurets gossan, and there is a molybdenum-rich skarn along the contact of the Bronson stock, one kilometre north of the Snip Gold Mine.

**Reserves released
for Red Mountain**

VANCOUVER The 1990 year end results for **Bond International Gold** (TSE) provided the first details released by the company of its 1990 summer exploration program on the Red Mountain property near Stewart, B.C.

A total of \$3.4 million was spent on an exploration program that included 55 diamond drill holes. Gold mineralization outlined from the 1990 program is reported to have extended the Marc zone over a strike length of about 800 ft.

A preliminary reserve estimate of 933,000 tons grading 0.37 oz. gold per ton was calculated from assay data obtained from drill core at a cutoff grade of 0.09 oz.

Cutting high-grade assays to 1.0 oz. gold per ton gave results of 933,000 tons grading 0.28 oz.

No reserve calculations or exploration details were released for other known zones on the property that were discovered during Bond Gold's 1989 exploration program.

Bond International Gold's major shareholder is Toronto-based **LAC Minerals** (TSE). LAC recently announced that it intends to acquire the remaining outstanding shares of Bond International Gold. It currently owns about 65% of the outstanding shares.

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