

HIAWATHA RESOURCES INC
SUMMARY OF ROZAN OGG GROUP

This 65 unit property was 100% optioned by Hiawatha Resources in 1987 and 1988 as a result of its favourable location at the head of Hall Creek and Forty Mile Creek, the two placer creeks originating on the Red Mountain some of 10 miles south of Nelson B.C. About 120 tons carrying 135 ounces of gold and 145 ounces of silver with minor lead and zinc were produced from a 4' wide quartz vein, with heavy sulphides laying close to the summit of Red Mountain and some four or five other shafts and/or pits lie in this general area, suggesting much activity from the early part of the century on. Hiawatha prepared a photo-topo map on a scale of 1:5000 rehabilitated an old 5 mile wagon road up HallCreek to the centre of the property, mapped the centre part of the property and conducted a soil sample survey, over the central part of the property most on a grid of 200 metres lines and 50 meter sample spacing. Two areas of maximun interest were sampled in detail in 1991 and 1992 in a sucessful effort to locate areas where drilling appeared justified. As a result the bulk of the property is in good standing until 1998 and the more outlying fringes are in good standing until 1994.

In the meantime the government of B.C. remapped the area and on June 27, 1991 released data from a Regional Geochemical Survey program covering NTS sheets 82E, 82F, 82K, 82L and 82M. The geochemical maps contained the data collected in 1976 and 1977, as well as new data on additional metals, including gold.

A large geochemical gold anomaly was outlined by this program, extending from Nelson to the South East, encompassing a number of old showings as far as the old Bayonne Mines (86,102 tons 0.5 oz\ton) and encompassing most of the 33ppb and higer value in the stream sediments samples as per attached map.

Within this area of 20 km by 60 km, the Hiawatha gold anomaly is the most prominent one, covering an area of 3000 by 2000 meters. All the gold anomalous areas are underlain by granodiorite. It is charteristic of many gold deposits that they occur in or near to granodioritic intrusives. The B^yonne deposit is in granodiorite and there is a small high grade showing on Granite Mountain along Erie Creek.

Large areas are covered with over 30ppb gold, which suggested enrichment close to the contacts with areas underlaying "Silver King" Porphyry . The strenghts of the center of the Hiawatha anomaly is very comparable to the one over the Snip deposit of Cominco, with a peak of 2650ppb and many values of over 500 ppb.

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Associated minerals of importance are tungsten, bismuth, molybdenite, typical Rosslund minerals. Copper and Zinc exceeding 200ppm in the surrounding bedded anomaly and could be a different orientation concentrations related to a nearby copper zinc deposit, which could be of a commercial grade at some unknown depth.

The whole structure lies within a structurally disturbed belt along the Red Mountain Fault, now known as the Mount Verde Fault, and abundant dykes of lamprophyre, often characteristic of gold districts, are present.

The Reconnaissance Geochemical Program is part of a joint Federal\Provincial program which is part of International Geochemical Mapping: a new global project of which A.G.Darnley is the Canadian representative in Ottawa.

This project is proven to be very valuable in locating as yet undiscovered mineral belts. For B.C., proof of this has been in locating a belt of strong geochemical anomalies along the Aldridge formation in the upper Shookumchuk area, and high grade lead zinc occurrence indicated by a pathfinder mineral, mercury, in the Lardeau area. All these occurrences have been published, but these maps, essential for environmental problems do not seem to be utilized. Yet they indicated clearly where the presence of important mineral deposits is likely, and where areas for parks should not be outlined.

A comparable occurrence of Hiawatha type material is reported in Bohemia in the Celina district, where the Mokrsko deposit is said to contain 100 tonnes of gold (=3million ounces of gold) at an average grade of 2gr/tonne, varying from 0.2 to 30 gr/t.

The biggest and most modern mine in Uzbekistan measures 3000x 2000 meter with a central core of higher grade 600mx600m with values of 50gr/t. It is accompanied by high alteration and seems to have a different mineralogie.

In B.C., the Bralorn deposit was known as several quartz veins up to 3' wide, and the main vein was not discovered till a slide opened up one of these veins about 30 years after the initial discovery.

The Hiawatha deposit is easily accessible at relatively very low cost of exploration for a potentially large deposit of Rosslund type ore, i.e. a low risk project with probable large rewards.

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