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CORDILLERAN ROUNDUP - SNAP SHOT REVIEWS

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Property/Project

Authors: John Brock and Wayne Roberts

Name : ESPERANZA GOLD PROPERTY

Commodities: Gold & Silver

NTS : 82F/13 & 82K/4

Claims : 239 claim units

Names/Numbers

Acreage: 12,000 acres

Agreements

Esperanza Explorations holds 100 percent interest in Esperanza Gold Property subject to a 3% N.S.R. due to vendors.

History

High grade gold was first discovered in 1981 in the HEINO-MONEY Zone. Esperanza has defined 12 gold-silver zones associated with two northwest trending belts of porphyry sills and stocks. Four of the gold targets have seen preliminary drill testing and one is being explored from underground.

Exploration (Techniques)	Amount	Type	Cost
Period 1981-1984 - Targeting plus 6610m drilling			\$2,442,200
1985-1986 - 780m drilling, 380m drifting, bulk sampling & metallurgical testing			\$1,820,600
1987 - 3050m drilling; 575m drifting; bulk sampling			\$2,036,000
Development	Amount	Type	Cost

Period

No development so far.

Production  
Period

Tonnage(s) Method Grade

No prior production.

Geology

**Regional** Esperanza Gold Property underlain by sequence of Milford Group metasediments and Rossland Group metavolcanics cut by two northeast trending belts of porphyry sills and stocks with a strike length of 6-8 km.

**Local** 12 gold-silver skarn zones discovered within the two belts of porphyry intrusion. Gold occurs in calc-silicate, quartz skarns developed in meta-sedimentary and metavolcanics adjacent to or in close proximity to diorite porphyry sills.

**Alteration**

Gold-skarn assemblages consist of quartz, plagioclase, tremolite-actinolite, clinozoisite, garnet, biotite and microcline. Skarns contain quartz-calc-silicate segregations, injections and veins that vary from less than 1 centemetre to 3 metres thick. Skarn zones vary from 2 metres to in excess of 60 metres thick.

## Current Exploration

Exploration has outlined gold mineralization in the HEINO-MONEY, EAST RIDGE and STREBE deposits and identified additional prospects with excellent exploration potential. Four gold zones and one silver zone have been preliminary drill tested and one of the four zones is being explored from underground. A total of 100 drill holes and 956 metres of underground drifting have now defined sufficient gold reserves on the HEINO-MONEY deposit to initiate production of 100 tons per day with anticipated head grades of 1.0 oz/ton gold. The EAST RIDGE deposit, up to 30 metres thick, has been extended for 600 metres along strike and for 60 metres down dip, and remains open in all directions from 25 holes drilled, 3.0 million tons averaging 0.05 oz/ton gold are indicated. A higher grade central core has not been explored in detail. Eight drill holes in the STREBE deposit have confirmed continuity of gold mineralization to depth with values to 0.33 oz/ton gold over 9 metres. The zone has now been defined 65 metres down dip and for 75 metres along strike and remains open in all directions. 1988 Program includes initiation of production of 100 t.p.d. from HEINO-MONEY deposit and 3000 meters of exploration drilling on EAST RIDGE and STREBE deposits.

<u>Reserves</u>	Geological, possible, probable and/or proven	<u>HEINO-MONEY DEPOSIT</u>	
		Proven -	Drill Indicated
		60,000 T @ 1.0 oz/T gold	120,000 T @ 0.5 oz/T gold
		Geological Inferred 300,000 T @ 0.5 oz/T gold	
Number of zones		<u>1</u>	
Number of sample points		<u>+ 4500</u>	
Average grade		<u>1.0 oz/ton gold</u>	(34.2 g/ton Au)
Average thickness		<u>1.5 m</u>	
Cut-off grade		<u>.15 oz/ton gold</u>	(5.1 g/ton Au)

## Costs

Recent exploration costs, i.e. this period (1981-1987)	<u>\$ 6,298,800</u>
Projected exploration costs of program to development	<u>\$ 800,000</u>
Projected development costs given positive economics	<u>\$ 2,800,000</u>
Projected operating costs given positive economics	<u>\$ 180/ton</u>