

CORDILLERAN ROUNDUP - SNAP SHOT REVIEWS

February 4, 1988

Property/Project

Name : SAMATOSUM DEPOSIT
NTS : 82M 4/W
Claims : REA & HN
Acreage:

Authors:

IAN PIRIE MINNOVA Inc.
Commodities
Ag, Au, Cu, Zn, Pb
Names/Numbers

Agreements

JOINT VENTURE BETWEEN MINNOVA Inc (70%) and REA GOLD Corp (30%)

History

Optioned by Minnova from Rea Gold Corp in November 1983.
Agreement renegotiated November 1985

Exploration (Techniques) Period	Amount	Type	Cost
1983-1987		Mapping, geophysics, geochemistry, diamond drilling (220 holes)	\$3,000,000
Development Period	Amount	Type	Cost
1988- 1989			
Production Period	Tonnage(s)	Method	Grade

Geology

Regional Paleozoic Eagle Bay Formation volcanics and sediments

Local Deposit sits at mafic volcanic - sediment contact in overturned sequence. Deposits strikes NW - SE and dips 30° NE. Deposit consists of disseminated to massive tetrahedrite, sphalerite, galena, pyrite. Alteration includes sericite, carbonate and chlorite in an apparently stratiform zone extending up to 30m into the footwall basalts.

Current Exploration

Mapping, geochemistry, and diamond drilling will continue in 1988 on other parts of the property.

Reserves

Geological, possible, probable and/or proven	<u>600,000 TONNES proven + prob.</u>
Number of zones	<u>1</u>
Number of sample points	<u>90</u>
Average grade	<u>4m</u>
Average thickness	<u>1100g/T Ag, 1.8g/T Au, 1.2%Cu, 3.5%Zn, 1.7%Pb</u>
Cut-off grade	<u>250g/T Ag</u>

Costs

Recent exploration costs, i.e. this period	<u>\$ 3,000,000</u>
Projected exploration costs of program to development	<u>\$ 3,000,000</u>
Projected development costs given positive economics	<u>\$ 20,000,000</u>
Projected operating costs given positive economics	<u>\$ _____</u>