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OVERVIEW WATSON BAR GOLD PROJECT

CLINTON MINING DIVISION, BRITISH COLUMBIA

by: R.M. DURFELD, B.Sc., P.Geo.

INTRODUCTION

The Watson Bar property is located, in the Clinton Mining Division, 33 kilometres due west of Clinton and 7 kilometres west of the Fraser River (NTS Map 92O/1E). It is centred at 51 degrees 3 minutes north latitude and 122 degrees 3 minutes west longitude. The West Pavilion logging road bisects the property at 68 kilometres from Lillooet. Recent logging provides new roads, clearcuts and trails that have greatly improved the local access.

The property covers an epithermal gold target on a large structurally controlled northwesterly trending, hydrothermal alteration zone hosted by Cretaceous sediments of the Jackass Mountain Group and Eocene felsic volcanics. Locally this alteration zone hosts significant gold mineralization.

OWNERSHIP

The property consists of 133 contiguous mineral claim units covering some 3,325 hectares. By way of an option agreement Stirrup Creek Gold Ltd has a right to earn a 70% interest in the project.

HISTORY AND PREVIOUS WORK

Early exploration in this area would have coincided with the Gold Rush on the Fraser River and subsequent placer mining in Watson Bar Creek just to the north of the Watson Bar Property during



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the period 1860 to 1900. The adit on the adjoining Mad claims and old open cuts on the Watson Bar property would have been excavated during this period.

Dr. Harry Warren in an article in the October 1973 issue of the Western Miner described his work at Stirrup Creek, to the northwest of Watson Bar, as "An Attempt to Discover a 'Carlin-Cortez' Type of Gold Deposit in British Columbia". In June 1980, E & B Explorations Inc. staked much of what is now the Watson Bar Property. E & B located these claims to acquire several large alteration zones and regional mercury and arsenic anomalies. In 1986 the claims were relocated and optioned to Cyprus Canada as an epithermal gold target. Cyprus' work from 1987 to 1991 included soil and rock geochemical sampling, Induced Polarization, and trenching surveys that in conjunction with geological mapping defined targets for diamond drilling. These surveys defined fourteen zones of interest as geochemically anomalous (gold, arsenic, mercury) in soil and rock samples in conjunction with Induced Polarization response. Trenching and diamond drilling defined significant gold mineralization in zones I and V. In April 1996 Stirrup Creek Gold optioned the property.

GEOLOGY

The claim area covers a northerly trending splay of the Fraser River Fault that brings rhyolitic to dacitic pyroclastic rocks of Eocene-age in contact with sedimentary rocks of the Lower Cretaceous Jackass Mountain Group and Lower Cretaceous Age Spences Bridge Group to the southwest.

The Jackass Mountain Group sediments are intruded by a 700 by 500 metre elliptical shaped stock of Granodiorite and younger dykes of feldspar and quartz porphyry. Throughout most of the grid area, the Jackass Mountain strata strike northwesterly to northerly with shallow to moderate westerly dips.

Large hydrothermal alteration zones have been mapped as carbonate, phyllic/argillic and silicification as quartz veining and silica flooding.

Mineralization

Sulphide mineralization noted in order of abundance occurs as pyrite, arsenopyrite, galena, chalcopyrite, sphalerite, stibnite and cinnabar. Pyrite typically occurs as disseminations, while the other sulphides are restricted to quartz veins and fractures. Visible gold has been noted as distinct rounded grains and flakes in quartz-sulphide veins. Pyrite content of the sediments is typically 1-



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2%, but in zones of mineralization overall sulfide content increases to 10-15%. Arsenopyrite, Galena, chalcopyrite, and sphalerite are typically found associated with the gold bearing quartz veins.

Geological Model

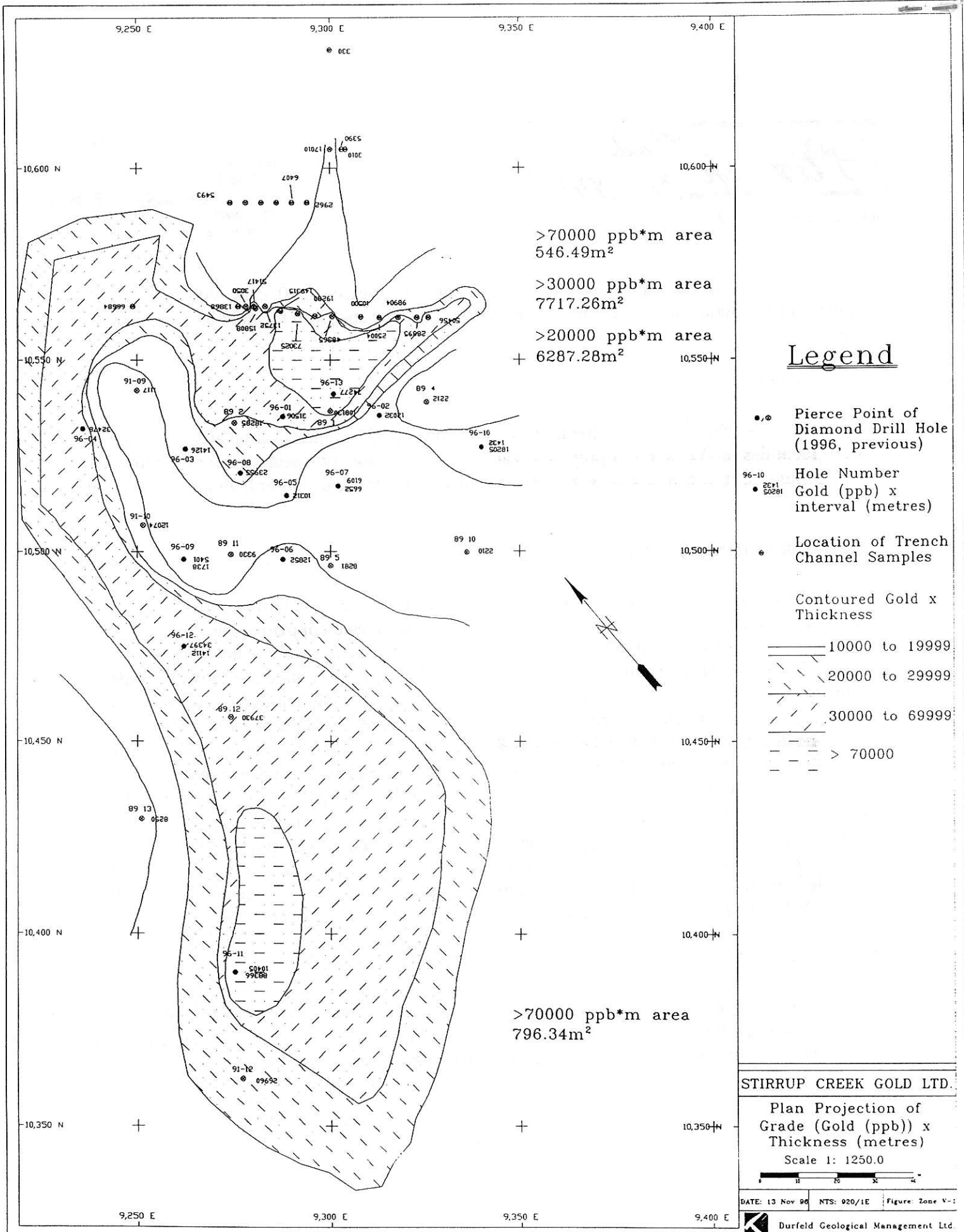
The style of hydrothermal alteration, silicification, sulphide mineralization and gold in quartz veins identifies the Watson Bar property as an Epithermal - Gold prospect. Exploration to date has recognized the economic potential as disseminated bulk tonnage and/or high grade lode gold veins.

EXPLORATION POTENTIAL

Stirrup Creeks's 1996 work of trenching and 5000 feet of diamond drilling focused on zone V. Zone V was discovered during the follow-up of a gold-arsenic-copper in soil anomaly in an area devoid of outcrop. This anomaly is sourced by several banded quartz-sulphide (pyrite, arsenopyrite, galena, sphalerite) veins, hosted by a siltstone. Work to date has shown this shallow dipping vein zone has a carbonaceous hanging wall with a strike length in excess of 200 metres and 200 continuing metres downdip. Sampling of this vein showed highs of 3.48 oz/ton over 1.5 metres in trench samples and 2.02 oz/ton over .66 metres 200 metres downdip in diamond drill hole 96-12. A 1994 100 ton bulk sample, from the trench, shipped to Premier averaged 1.2 oz/ton and showed values for individual 1 ton samples as high as 13.3 oz/ton. The distribution of the gold mineralization is shown on the attached "Plan Projection of Grade (Gold ppb) X Thickness (metres)". This map demonstrates good downdip and strike potential for the gold mineralization while suggesting a two-fold potential for Zone V: 1.) As a high-grade mineralized core defined by the surface showings down to 96-11. and 2). As a lower grade stratigraphically controlled mineralized zone with bulk tonnage potential and included higher grade zones.

1997 PROGRAM

Stirrup Creek is encouraged by its results on the Watson Bar Project and will commence an aggressive exploration program in the near future. Work will again focus on the extent of the gold mineralization in zone V, while advancing additional targets to the drill stage.



>70000 ppb*m area
546.49m²

>30000 ppb*m area
7717.26m²

>20000 ppb*m area
+ 6287.28m²

>70000 ppb*m area
796.34m²

Legend

- , ⊙ Pierce Point of Diamond Drill Hole (1996, previous)
- 96-10 ● 25281 ● 25281 Hole Number Gold (ppb) x interval (metres)
- Location of Trench Channel Samples
- Contoured Gold x Thickness
- 10000 to 19999
- / — 20000 to 29999
- x — 30000 to 69999
- - - > 70000

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Plan Projection of
Grade (Gold (ppb)) x
Thickness (metres)
Scale 1: 1250.0



DATE: 13 Nov 96 NTS: 920/1E Figure: Zone V-1