TO BERT REEVE

February 2, 1995

FROM IVOR WATSON

RE SUMMARY OF J. MCDOUGALL REPORT ON SADIM PROPERTY (15.11.1994)

Jim McDougall dropped in at 2pm to discuss 'Harlow's' results and the report. My comments are as follows:-

- . Diakowski (Harlow) staked ground to the S.W. of SADIM (Stefan claims) and restaked Pete Peto's RUM claims (to the N.E.)
- . Work done by Harlow consists of:-
 - Mag and EM on a N-S grid (to catch the E-W veins) covering the main area of interest on the SADIM claims. (64.5kms. over a 20m x 50m grid). The grid is at right angles to our 1987 Mag/EM grid.
 - Backhoe trenching, using a larger backhoe (McDougall says trenches are wide enough to drive down.)
 - 17 trenches completed (see Fig. 4)
 15 trenches had no significant results.

Trench 94-1 is a reopening of our N-S trench along the skid road. Harlow selectively resampled 11+m of the trench, getting assays up to .33 opt Au, and averaging .067 opt Au/11.27m. (See Table 2; p32) McDougall thinks Harlow should have sampled the whole length, including the host rock.

Trench 94-2 (Our #19) trench, high grade vein widened and lengthened another 25m west to the edge of the steep westward slope (Figs. 4, 5). McDougall says Harlow picked up the western offset extension of the vein, but the description of the displacement does not match the sketch plan.

When I overlay the Vanco and Harlow sketch plans of the vein, there is very little difference in the long dimension of the 'high grade zone', regardless of the differences in the disposition of the vein in the two sketches.

The western 15-20m extension of the vein uncovered by Harlow is quite low grade (Table 3) and narrow (confirmed by McDougall).

The trench was stopped at the top of the steep slope as the operator had qualms about continuing further.

McDougall thinks that the vein may dip too steeply to have been intersected by hole 87-13.

Assays obtained by Harlow are roughly of the same order of Vanco's, except for the 11 opt Au at section 25, which may be about the same location as our 3.5 opt sample:-

Harlow - 1 opt/2.56' over 62' strike Vanco - 2.44 opt/1.91' over 50.9 strike

Trench 94-3 This trench tested the SADIM North Zone. I think Harlow were unaware that we had trenched here, although the zone and trenches are indicated on the map supplied to them. They got grab samples up to .47 opt, compared to our chips of a few hundred ppb. McDougall suggests this as a 1995 drill target.

The other 14 trenehes by Harlow tested some of the numerous VLF anomalies, and produced only weakly anomalous samples. Trench 94-7 in the S.E. part of the map area, tested the west end of a strong EM anomaly and exposed fragments of galena bearing quartz, but assays were low (57ppb): McDougall is recommending further work here.

- The VLF shows 6 major E-W anomalies.
- Jim McDougall recommends a two stage \$110,000 + \$320,000 programme of mapping, drilling and trenching on the SADIM claims. Specifically he calls for:-
 - * Air photo interpretation (new colour issue), looking particularly for E-W lineaments.
 - * Trenching and short hole drilling to test cross structures
 - * Short hole drill testing of the 6 major E-W anomalies.
 - * 'Several' north angled holes to test below the major E dipping thrust.
 - * Several short holes to test the 94-2 (Vanco #19) trench vein.
 - * Rum claims trenching of Au soil anomalies.
 - * Stefan claims no work recommended.

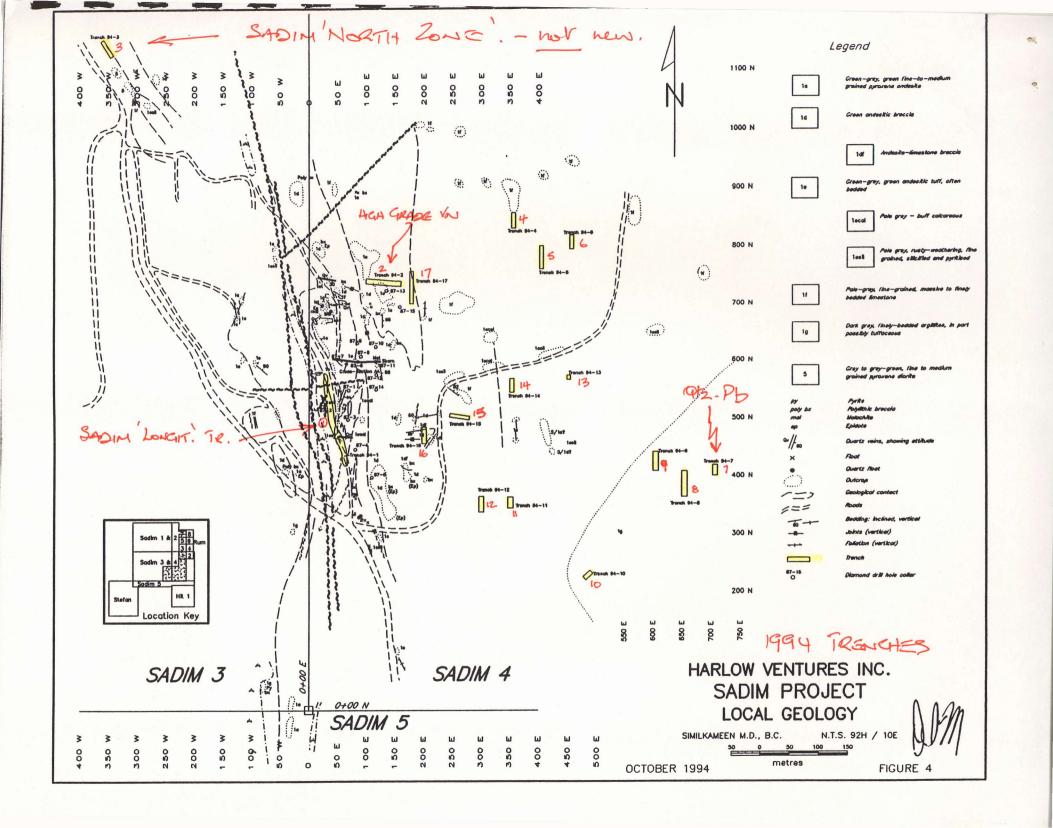


TABLE 3

TRENCH 94-2

(Sample Compilation, see location Fig. 4)

			, ,			
SAMPLE NO. & DISTANCE ALONG TRENCH (metres)	SAMPLE WIDTH ACROSS TRENCH (metres)	REMARKS	PPM Ag	PPB Au	OZ. PER TON Ag	OZ. PER TON Au
1A	.60	.254 N gouge - tuff qtz fragments	0.9	120		
	.30		1.0	170		
3A		O35 rsty gouge & tuff O - 1 N 10% brkn qtz in tuff	0.8	160		
3B 3C	1.00			140		
	.40	1 - 1.4 N 20% qtz in tuff	0.8			
5A 5B	.70	O7 S minor qtz in tuff & gouge O3 N qtz in tuff	7.4	1,130		
5C	.23	sampled E - W direction, 3 cm qtz vein w.	0.2	1,540		
1 15 4		20 cm gouge	0.2	42		
7A	.30	1.3 - 1.6 S wall	16.3	2,100		
7B	.90	.3 - 1.2 Brkn qtz	10.9	1,480		
7C	.80	.3 S5 N wall	5.6	1,040		
9A	.50	.3 S2 N brkn qtz in tuff	6.2	1,010		
11A	.80	.5 S3 N gouge w minor qtz	1.1	260		
13A	.20	1.3 S - 1.5 S footwall gouge	455.5	67,400		2.07
13B	.30	1.5 S - 1.8 qtz vein	353.2	49,800		1.45
13C	.20	1.8 S - 2.0 S hanging wall gouge	18.4	1,940		.05
14	GRAB	4 m N. of base line qtz in gouge	7.9	1,120		.03
15	GRAB	brkn qtz in tuff	18.2	1,970		.06
15A	1.30	0.5 N to 0.85 qtz vein	28.3	3,730		.11
15B	.50	0.8 S to 1.3 S wall gouge in qtz stringers	475.4	78,800	100	2.22
17A	.50	0.3 S - 0.8 S qtz vein	585.7	99,700		2.85
17B	.40	0.3 S to 0.1 N footwall	128.2	15,700		.38
19A	.60	0.6 - 0 S qtz vein	263.5	30,800		.87
19B	.40	0.0 - 0.4 N footwall gouge	18.0	2,010		.06
21A	.50	0.1 - 0.6 S qtz vein	516.9	100,000	7 17 19 19	3.30
21B	.40	1.3 - 1.7 N qtz veins to 5 cm	7.9	1,380	v 1	.03
23A	.10	0.6 - 0.7 N qtz vein w gouge	341.8	41,200		1.31
23B	.70	0.3 - 1.0 S .3 m qtz vein w/qtz breccia	94.3	12,730		.45
25A	.20	.46 S qtz vein brkn			84.69	11.08
26A	.40	.2 S2 N rsty brkn qtz vein			12.65	1.57
28A	.20	02 S qtz vein			1.34	.18
28B	.50	.2 S7 S wall w/tuff			0.55	.07
28C	.15	.785 S qtz vein			2.41	.29
30A	.10	1 - 1.1 S brkn qtz vein w/gouge			3.81	.57
32A	.15	1.4 - 1.55 S brkn qtz vein, gouge			1.52	.20
34A	.15	1.1 - 1.25 S brkn qtz vein, gouge		**	0.62	.10
36A	.40	.2 S2 N brkn qtz in gouge			0.58	.04
38A	.20	1 - 1.2 S tuff wall, qtz brkn malachite			0.13	.02
40A	.15	.455 S qtz & gouge (4 cm vein) .235 gouge in vein, minor brkn qtz			0.68	.11
42A 44A	.10	01 N atz vein			0.44	.08
44A 46A	.10	01 N qtz vein 02 N wall rock grey tuff			1.15 0.04	.01
46B	.20	.24 N gtz vein broken			0.04	.01 .06
46C	.20	.46 N clay gouge	-		0.38	.00
48A	.10	01 N qtz vein			0.48	.07
50A	.20	.13 N brkn qtz vein			0.40	.07
52A	.10	.45 N narrow wall gouge, minor qtz			0.40	.05
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EAST

WEST

D&M

