TO: Bill McMillan July 28,1992

FROM: Mitch Mihalynuk, Don MacIntyre - Tats Lake Camp

RE: **NEW DISCOVERY OF MASSIVE SULPHIDE LENS: THE "RAINY MONDAY"**

Previous mapping in the Windy Craggy camp has failed to correctly identify the extent of the Tats stratigraphy. While mapping about 10km southeast of Windy Craggy Peak yesterday it became apparent that we were in a part of the middle Tats stratigraphy; the strata that hosts the huge Windy Craggy deposit. It is at this point that Don MacIntyre and myself discovered a 15cm band of massive chalcopyrite. Further investigation showed that much of a 9m cross-strike distance in the gossan was comprised of massive sulphide (chalcopyrite and pyrite). UTM coordinates are 350500E, 6615300N.

After collecting several samples for assay, we decided to skirt the ridge to determine the along-strike continuity of the massive sulphide zone. To our amazement, not only did we find the zone some 600m from the discovery showing on the opposite side of the ridge, but the zone broadens to include gossanous massive sulphide bodies well-exposed across some 150m. On the well exposed northern face of the ridge it also appears that the zone extends to the valley floor (300m below) and appears to broaden downward. There is no indication that the zone has been sampled previously and there is no MINFILE or company documentation of this showing..

It is difficult to determine the percentage of sulphides at surface since they are extensively oxidized, but a conservative estimate is that 15% of the 150m cross-strike extent of the massive sulphide zone is gossanous and that 20% of the gossan is massive sulphide (over 50% chalcopyrite). Assuming continuity of mineralization along strike, preliminary field observations indicate substantial tonnage (50 million tonnes plus). As some of the samples are essentially massive chalcopyrite, high grade zones can be expected within the overall geometry of the deposit.

Two noteworthy points are that the zone is an apparently offset part of the Tat showing (see Figure) and that it is close to the "southern airborne anomaly", one of two such anomalies in the Windy Craggy camp (the other anomaly, the "northern airborne anomaly" is over the Windy Craggy deposit).

As near as we can tell the ground is held by Geddes Resources (mineral claim W-C-31 No. 1999(9), LCP number 55494 or 59464?? numbers not clear on the claim map). Please confirm that the ground is held by Geddes. If such is the case, then this piece of correspondence could be FAXed to Keith Summerville. If the ground is open, please advise us of how we are to proceed. Given that the area is covered by the staking freeze, press releases and such forth can hopefully be avoided.

A shipment of 8 samples from the new deposit will be sent out today or tommorrow by courier. It would be nice if we could get the analytical results from these samples as soon as possible. Could you please push the necessary buttons to make this happen?

All is going well with the Tatshenshini project now that we are in full operational mode. The weather has been very cooperative and we have not lost a single day so far. As we see more and more of the geology our appreciation of the complexity of this area grows. So does our appreciation of the size of area we have to deal with! Jimmy McDougall's seven days with us was most helpful and he has pointed out several prospective areas that we need to do more work in. Hope all is going well in Victoria. Best regards to all.

Mitch Mihalynuk
Don MacIntyre

Batch 92/051
Sample Prep: ASL1 (Cr Steel head)
Submitted By: W.McMillan/M.Mihalynuk
Number of samples: 18
Samples received: July 31 1992
Preliminary Report: August 6 1992

Field Number	Lab Number	Au (oz/ton)	Ag (ppm)	Cu (%)	Pb (ppm)	Zn (ppm)	Co (ppm)	As (ppm)	Sb (ppm)	Ni (ppm)	SHOWING
DMA92-64-1	45151	0.0005	<.5	0.006	<5	38	349	<50	<25	41	RM (W)
DMA92-64-2	45152	0.0125	18	5.44	8	74	650	117	<25	38	"
DMA92-64-3	45153	0.008	11	5.32	9	74	488	50	<25	30	"
DMA92-64-4	45154	0.05	11	0.10	7	699	238	98	<25	41	"
DMA92-65	45155	0.06	31	6.68	<5	919	80	<50	<25	34	RM (E)
MMI20-4-2	45156	0.021	15	13.5	5	192	0.27%	0.19%	<25	197	"
MMI20-5	45157	0.0035	18	8.6	<5	589	38	<50	<25	20	"
MMI20-6	45158	0.028	25	13.8	<5	359	56	<50	<25	7	"
DMA92-66-1	45159	0.0495	11	2.37	<5	312	280	<50	<25	63	"
DMA92-66-2	45160	0.004	5	0.79	5	214	80	<50	<25	55	"
MMI20-5 (Dup)	45161	0.0015	19	8.7	<5	496	35	<50	<25	19	"
DMA92-69	45162	0.018	4	0.46	63	935	138	196	<25	65	IB
MMI92-21-2	45163	0.0055	5	0.36	<5	99	264	78	<25	43	RM (E)
MMI92-21-3-1	45164	0.069	38	10.2	<5	136	273	50	<25	5	"
MMI92-21-3-2	45165	0.0375	39	20.2	<5	321	175	50	<25	5	"
MMI92-21-5-1	45166	0.0095	3	0.43	49	0.29%	127	50	<25	74	IB
MMI92-21-5-2	45167	0.0205	3	0.36	59	0.41%	122	65	<25	73	"
MMI92-21-6	45168	0.007	1	0.13	52	815	52	289	<25	52	"

PRELIMINARY

RM(E) = RAINY MONDAY (EAST)
RM(W) = RAINY MONDAY (WEST)
IB = ICE BRIDGE