



Energy, Mines and
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Page 1 of 3

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(separate copy by post)

Dear Fred:

The samples (about 30 to 40 lbs) for which we have no location data arrived October 26th and are numbered 6609u to 6649u. They are probably assay reject samples. We would like to know their locations, widths, Au & Ag contents and which vein types (e.g. main "tetrahedrite" shear vein or bonanza ruby silver-tetrahedrite sigmoidal tension veins). Their locations plotted on level plans would also be useful.

As I mentioned over the phone, when prepared, we would also like copies of the geology on the detailed grid around the West Zone, "regional" grid in the Brucejack area, plan showing drillholes in the West Zone area and, if possible, also Richard's and Brian's geology for the Golden Marmot area showing trenches and drillhole locations. So that we can easily change the scale, we would prefer these on stable bases. If you want we will pay for copies of these maps. I do not want to duplicate Newhawk's geology where you have done far more detailed work than I have. However, I will probably reinterpret the geology to some degree. As time permits, I will try to incorporate this information into a 1:5000 geological map that I have been attempting to make for the general Brucejack area. Hopefully, I will have a preliminary copy that I can give you by February.

In regards to your request for further information on our results and plans, unfortunately Bruce has been away from work so I have not been able to talk to him. However, I am fairly certain that he should have Au and Ag analyses from his 1987 samples that he should be able to send to you. I suspect that at least 3 areas in which you have not been working should have interesting precious metal values. Nevertheless, you will have to wait to hear from him.

As I mentioned, we do not have adequate analytical funds to do analyses on all samples that we collected last summer in this fiscal year (March 31, 1989). However, we will do our best to get results to you before next summer (if there is one at Sulphurets!). One thing that I attempted to do last summer was to sample as many alteration zones and quartz vein systems as possible in the Brucejack area. However, I was not entirely successful in the sense that I spent as much as a half hour on some outcrops and could not obtain satisfactory samples of unleached quartz veins. Obviously, as you and Norm are aware, many of these outcrops should be trenched. Hopefully, Newhawk's and GSC's work last summer should indicate some of the more important outcrops to trench first.

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Canada

I was able to relocate and sample and document further some of the potentially interesting precious metal areas outlined in my letter to you March 31, 1988. Comments on some of these areas are as follows (keyed to March 31, 1988 letter):

2) Mitchell Glacier South Side: Bruce and I have two more traverses from the south and southeast coming into this area. I noted a very large, several metre-wide (detailed notes are at home) base metal-bearing quartz vein, that is not visible from the air, about 300 to 400 m (?) up the stream to the south of sample site KQ-86-113A (now marked by a cairn and flagging) near the ice. I also noted both significant molybdenite and chalcopyrite in veinlets in this area with highly anomalous gold values. To the south, between many fault blocks locally are probably significant copper values (>0.5% Cu?). Samples were collected but we have no further analytical results for this area.

4) Ridge south of Hanging Glacier and north of Catear Property: I am happy to note that this area has become known as your Golden Marmet Zone. I still want to do one more traverse in the area but I did do extensive traversing and sampling (no analyses yet) on your property in the vicinity of the Catear camp. This is an area where I have sampled many alteration zones and quartz veins, including near "6) Catear-Red Group Boundary Area". Black tennantite, which we know is associated with gold in the area, was noted in some samples. My mapping, in agreement with Dami Alldrick's, indicates that the Brucejack Lineament has only minor (about 100 m?) apparent right-lateral displacement along it. This is based on tracing several volcanic units across the fault and an older, probably much more significant fault, that separates sedimentary from volcanic rocks. The documented geometries of units and structures, at this time, are not adequate to define accurately the movement on the fault and many problems still remain in interpreting the structure in the vicinity of the Brucejack Lineament in the good outcrop area north of the Mitchell Glacier.

5) Arsenopyrite Showing: I was there with Richard Leep and we both agreed that the showing should be properly trenched. If the original trench was in bedrock, it is now filled with stream sand. This area still requires more work and with altered sulphide-bearing sedimentary rocks in the area and a K-spar, hornblende phyrlic syenite or monzonite porphyry mapped by BCMD geologists this summer in the wooded area downslope to the west more occurrences may be present in the vicinity. This intrusion I observed previously in 1987 in small fault blocks along the east side of the Sulphurets Glacier and we also noted a large area of it higher up the slope north of Brucejack Creek. I hope to place at least one or two traverses across this intrusion next summer.

8) Alteration zone west of Brucejack Lineament to the west of the Electrum Zone: I was able to relocate this sample site (KQ-87-133) mark it with a cairn and flagging and substantiate that it is gold bearing (assays provided by Tom Drown for 2 1988 samples from the zone contained 0.116 oz Au/t and 0.36 oz Ag/t (KQ-88-36I) and 0.098 oz Au/t and 0.16 oz Ag/t (KQ-88-36K), respectively). This zone averages about 4 to 6 m wide, strikes approximately east-west and I was able to trace it for a minimum of 100 metres. I have also identified and sampled several similar zones over a wide area. However, we have no assays yet to ascertain their precious metal contents. I will let you know the results when available.

Besides possible new precious metal occurrences, two base metal prospects should be brought to your attention. One is the possibility of a supergene porphyry copper deposit with leached outcrops between the Mitchell and Sulphurets glaciers on the west side of the mineralized area and possibly approximately half way up the mountain north of the Mitchell Glacier. The recent copper discovery announced by Western Canadian Mining Corporation on the Kerr Group claims contains significant supergene chalcocite. Previous work of mine and some 1988 traverses indicate a large area bearing copper but mainly with leached outcrops south of the toe of the Mitchell Glacier primarily in highly faulted and fractured rocks between the old Montgomery and Kirkham showings. The second base metal prospect is an area immediately west and north (under ice and hill) of the large bare outcrop at the Iron Cap showing in the vicinity of Esso hole #16. A large area that I traversed down the slope apparently contains widespread disseminated molybdenite in highly altered, very siliceous rocks. This is in sharp contrast to the molybdenite sparsely distributed in quartz veins widely distributed in sericitic altered rocks in the region. During sampling of hole #16 for lithochemical and mineralogical studies we also noted some disseminated chalcopyrite (about 0.1 to 0.3% Cu) and several fluorite veins. Analyses obtained by Bruce also indicates that ^{the} area is anomalous in tungsten. Although where I have observed this type of mineralization in outcrop, it is probably too low of grade (~0.0x% Mo?) to be economically interesting, our observations support the existence of a large, coherent molybdenum (tungsten?) zone in the area. Possibly some long holes drilled into hillside from about ice level to the west of the Iron Cap showing would indicate favourable grade gradations and patterns justifying further exploration. We will keep you informed of our analyses for this area.

I hope that this information will be of value to you and, if arrangements can be made, we would like to spend about one or two days with you and your geologists about the time of the Cordilleran Roundup in February.

Very best regards to you, Norm, Brian, Mike, Rick, Ken and others.

Sincerely,



R.V. Kirkham

cc. S.B. Ballantyne
D.C. Harris
R.F.J. Scoates