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Redgold Resources Ltd.

180 Yorston Street, Williams Lake, B.C. V2G 3Z1
Telephone (604) 392-4691

June 26, 1984.

Attention: David Watkins

NTS 93A/6W

Corporation Falconbridge Copper
6415-64th Street
Delta, B.C.
V4K 4E2

Dear Sir,

Further to our conversation of last Friday I have enclosed a copy of "The REDGOLD Option Introductory Report" for your perusal.

This report introduces the salient features of the REDGOLD mineral claim group and proposes an option agreement.

Should you wish to discuss this report further or toreview additional imformation, please donot hesitate to call.

Thank you for your time.

Yours truly,

R.M. Durfeld
(Geologist)

Alex
- Pls handle
- I talked to this guy on the phone + he seemed intelligent (for B.C.)

REDGOLD OPTION

INTRODUCTORY REPORT

Cariboo Mining Division, British Columbia

93A/6W

Latitude 52° 27' Longitude 121° 27'

Ownership: Redgold Resources Ltd.,
180 Yorston Street,
Williams Lake, B.C.
V2G 3Z1
(604) 392-4691

April 1984

Author of Report:

R. M. DURFELD

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INTRODUCTION

The following is a resume report covering the previous and ongoing exploration programs on the Redgold mineral claim group.

For additional technical information, assessment and summary reports on the Shik mineral claims should be reviewed.

The Redgold mineral claim group is located in the Cariboo Mining Division in Central Interior British Columbia. It is specifically located on map sheet N.T.S. 93A/6 at 121° 27' west longitude and 52° 27' north latitude.

Access to the property is achieved by paved highway to the community of Horsefly and thence north for seventeen kilometers on all-weather gravel roads that bisect the property.

HISTORY

The documented work on the Redgold area dates back to the late-sixties to mid-seventies when the area was actively being explored for porphyry copper and molybdenum deposits. The adjoining SL mineral claim area was staked several times as such a target.

PROPERTY

The Redgold mineral claim group is comprised of fifty-four contiguous claim units that can be summarized as:

Claim Name	No. of Units	Record Nos.	Anniversary Date
SHIK #1	20	4331 (5)	May 31
SHIK #2	18	4332 (5)	June 1
REDGOLD #1	16	4615 (12)	December 17

REDGOLD RESOURCES LTD.

Redgold Claim Group
Location Map
NTS: 93A
Scale: 1:250,000

Figure 1

All interest in the above mineral claims are held by the private company, Redgold Resources Ltd.

GEOLOGY

The Redgold mineral claim area is underlain by a large, structurally controlled Upper Triassic to Lower Jurassic depositional feature known as the Quesnel Trough.

The Quesnel Trough consists of thick sequences of mainly Upper Triassic to Lower Jurassic volcanic and clastic rocks bounded by the Omineca Geanticline on the east and the Pinchi Fault on the west. Cross-cutting and coeval with the volcanic rocks are alkalic dykes and plugs that probably represent the conduit for the volcanic lithologies.

Economic Geology

Mineral exploration programs in the Quesnel Trough area in the late sixties to the mid-seventies have led to the discovery of numerous porphyry copper and/or molybdenum prospects and deposits. Several of these porphyry copper prospects that developed in association with alkalic intrusives were noted to have significant gold values. The Cariboo-Bell is one such prospect and, to date, has published reserves of 100,000,000 tons grading 0.4% copper and .02 ounces per ton gold.

Dome Mines QR Deposit

The QR deposit was discovered in 1975 as part of an exploration program in the Quesnel Trough area for porphyry copper-gold prospects similar to the Cariboo-Bell deposit.

Drill indicated reserves for the QR deposit published by Dome Mines Limited in their 1981 Annual Report are 950,000 tons grading .21 ounces per ton gold. Further exploration drilling has been proceeding.

Local Geology

The host rocks for the QR deposit are autobrecciated augite basalt flows with extensive carbonate alteration.

Flanking the QR deposit is an intrusive stock of dioritic composition with a strong magnetic response.

The gold mineralized zones at the QR deposit are associated with or enveloped by propylitic hydrothermal alteration that is characterized by variable chlorite and epidote alteration of the basalt lithologies.

Variable disseminated to massive pyrite and chalcopyrite are also associated with the hydrothermal alteration and gold mineralization at the QR deposit. Copper grades are erratic and generally less than .2% copper.

The mineralizing and alteration features recognized at the QR deposit to date have been developed in association with the emplacement of the QR stock. This would suggest that the mineralization of the QR deposit could have developed as a porphyry copper-gold system in association with an Alkalic Intrusive Complex.

Redgold Detail Area

To date, limited detailed prospecting and chip sampling has been conducted in a 400 by 300 meter area on the SHIK #1 and #2 mineral claims of the Redgold claim group.

The detail area is underlain by a heterolithic volcanic breccia to debris flow that grades into a monolithic autobrecciated augite-bearing basalt.

The volcanic lithologies in the detail area are cut by dioritic to syenitic dykes and plugs. The dioritic dykes, in part, have a good magnetic response.

Variable propylitic alteration is developed in all the lithologies of the detail area. This propylitic alteration is characterized by a chlorite-epidote-carbonate assemblage. Minor K-spar is also recognized as an alteration.

The mineralization recognized in the detail area is generally as disseminated pyrite and chalcopyrite. Copper values of up to 2000 ppm (.2% copper) and gold values to 1350 ppb (.04 ounces per ton) were developed in rock chip samples collected from these mineralized and altered zones. The distribution of all the geochemical copper and gold values is demonstrated on the attached Figures 2 and 3.

No additional geological reconnaissance or geochemical sampling has been conducted outside this detail area.

Comments

From a comparison of the geological features of Dome Mines QR deposit and the Redgold area, it is readily evident that the two areas have developed in a similar geological setting.

CONCLUSIONS

The QR and Cariboo-Bell deposits, and the Redgold prospect are developed in areas of alkalic intrusive and/or associated volcanic lithologies in a large structurally controlled Upper Triassic to Lower Jurassic depositional feature known as the Quesnel Trough.

The recent exploration activity in the Quesnel Trough area has been spurred by the encouraging results encountered at Dome Mines QR deposit with 1981 published reserves of 950,000 tons grading .21 ounces per ton gold.

The Redgold Option area is developed in a similar geological setting as the QR deposit and has the potential for the development of both the QR (porphyry gold) or Cariboo-Bell (porphyry copper-gold) deposit type.

PROPOSED PROGRAM

An ongoing exploration program for the Redgold Area would be staged and would incorporate the following exploration techniques.

Detailed Mapping and Prospecting

Detailed mapping and prospecting in conjunction with rock chip sampling would be conducted in outcrop areas. Significant features are felt to be 1) degree of carbonatization, 2) hydrothermal alteration assemblages defined by the series, potash feldspar - biotite-diopside, epidote, chlorite and 3) mineralization as visible copper.

Magnetic Surveys

The deposits recognized to date are proximal to alkalic intrusive complexes that have a well-developed magnetic response. With theCariboo-Bell deposit, there is also a correlation between the copper mineralization and magnetite. The magnetic surveys can be used as regional and detailed mapping tools to locate intrusive complexes and to delineate structures.

Induced Polarization Surveys

Induced polarization surveys would be beneficial in delineating sulphide rich horizons and would give the structural trend of such features.

Diamond Drilling

The inital program on the SHIK mineral cliams should incorporate all the above methods as coincident mapping, geochemical, magnetic and induced polarization surveys. If the above exploration techniques were successful, a drilling program would be initiated.

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Telephone (604) 392-4691

April,1984

REDGOLD OPTION

CARIBOO MINING DIVISION

MINERAL CLAIMS	RECORD NUMBER	ANNIVERSARY
SHIK #1	4331 (5)	May 31
SHIK #2	4332 (6)	June 1
REDGOLD #1	4615 (12)	Dec.17

The above said mineral claims have been grouped and are now collectively referred to as the Redgold Mineral Claim Group.

OWNERSHIP

All interest in the Redgold Mineral Claim Group is held by Redgold Resources Ltd., a private company.

PROPOSED AGREEMENT

can earn a 70% interest in the above said mineral claims by fulfilling the following payments and work commitments:

On or Before	Payments	Work Commitments
At signing	$ 10,000.00	Minimum annual expenditures to exceed $30,000.00.
By January 1, 1985	20,000.00	
By January 1, 1986	25,000.00	Accumulated expenditures of $300,000.00 to be completed by January 1, 1990.
By January 1, 1987	25,000.00	
By January 1, 1988	50,000.00	
By January 1, 1989	50,000.00	
By January 1, 1990	120,000.00	

No interest is earned until the above commitments are met.

R. M. DURFELD
Geologist