

Loon Property
093F/12

**HUDSON BAY EXPLORATION & DEVELOPMENT
COMPANY LIMITED**

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V6C 1V5

821944

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June 12, 1992

Mr. I. Pirie
Minnova Inc.
3rd floor, 311 Water St.
Vancouver B.C.
V6B 1B8

Dear Ian:

As I mentioned to you in passing some time ago Mingold Resources has an epithermal gold-silver prospect in Central B.C. which is available for option. I have enclosed with this note a brief report on this property (Loon Property) for your inspection. The only other work done on this property was an EM16R survey over the showing area. This work did outline a resistivity anomaly associated with the area of silicification. I would appreciate the return of the report when convenient.

Very truly yours,

A handwritten signature in dark ink, appearing to read "E.W. Yarrow, Sr." with a stylized flourish at the end.

E.W. Yarrow, Sr. Geologist
Western District,
Hudson Bay Expl. & Dev.

encl

LOON PROPERTY SUMMARY

The Loon 1-9 claims (152 units) were staked in July and August of 1988 to cover an area of gold and silver bearing rock outcrops northeast of Uduk Lake, B.C. The property occurs on the south side of Ootsa Lake at latitude $53^{\circ} 38'N$ and longitude $125^{\circ} 59'W$ just east of Tweedsmuir Park. The closest town is Burns Lake which is 70 kilometres to the north. Access to the claims is by fixed-wing aircraft to Loon Lake. Major logging roads pass within 7 kilometres of the claims and tie into a ferry (operated by West Fraser Logging) across Ootsa Lake.

Property geology consists of predominantly volcanic lithologies ranging in age from late Triassic through Miocene. The hostrock for mineralization is a rhyolitic to dacitic member of the Eocene Ootsa Lake Formation. This unit is subaerial in origin consisting of both pyroclastic and flow sequences (possibly ignimbrites) associated with dome complexes within a collapsed cauldrea setting. Silver and gold mineralization is associated with multi-stage epithermal quartz veins, vugs, breccias and kaolinized wallrocks adjacent to and within major shear-fault zones. An initial random chip sample of silicified outcrop and subcrop encountered up to 26 oz/t. (898.6 ppm) silver and 0.082 oz/t. (2805 ppb) gold in the vicinity of TR88-1. Another chip sample further west near TR88-5 yielded an assay of 3.19 oz/t. (109.2 ppm) silver and 0.155 oz/t. (5320 ppb) gold. Followup trench sampling was generally disappointing with the exception of TR88-4. This trench ran 0.049 oz/t. (1688 ppb) gold and 0.41 oz/t. (14 ppm) silver over 3.0 meters.

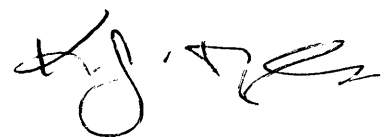
Soil geochemistry is fairly successful at locating mineralization however the glacial till suppresses the

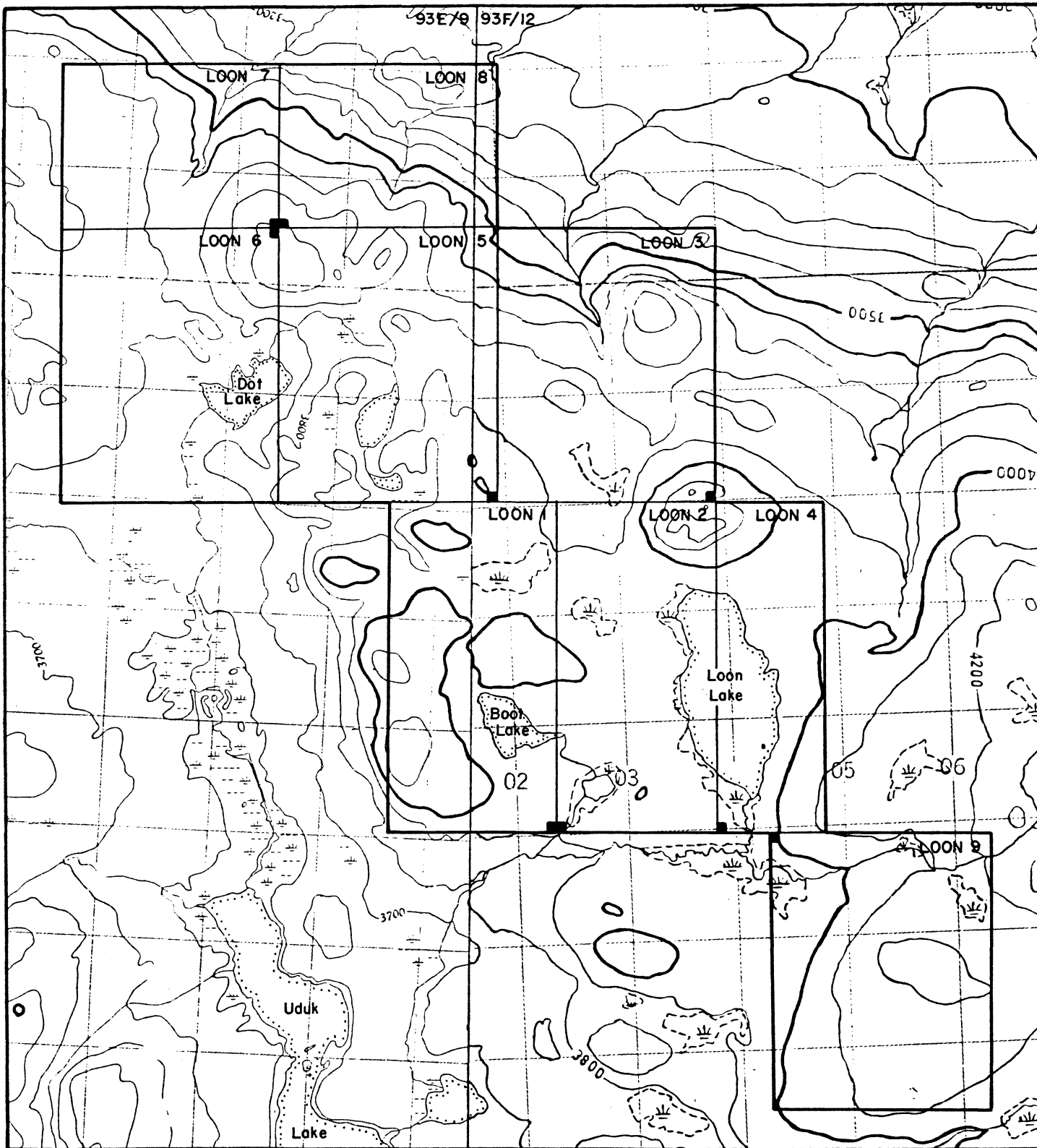
response considerably. Molybdenum, silver and gold all show significant increases over both the trenched areas. Arsenic is somewhat erratic although it is anomalous over the trench TR88-4 area. Our 1989 soil sampling outlined a new target which has not had any followup. The area is just off the toe of Boot Lake and has silver values up to 4.7 ppm. Moly and arsenic also respond well however gold only reaches 9 ppb. Examination of this area should be a top priority.

Geophysical surveys are not effective at locating the epithermal mineralization directly due to the low sulphides present. The VLF-EM is probably detecting a series of major fault zones while the EM-16R (resistivity) is responding to the strong silicification. Only a single test line of resistivity was done however the anomalies coincide exactly with the known areas of epithermal mineralization. Next to prospecting, this may be the most effective exploration technique in this area.

Airphoto interpretation outlines a number of major faults oriented primarily in a north-south direction. A possible cauldrea margin occurs along the lower portion of photo BC7736-114.

The LOON precious metal mineralization appears to occur in a typical Nevada style volcanic-hosted epithermal setting. Although to date grades are marginal to subeconomic, one should bear in mind that the upper part of the epithermal system is commonly low in precious metals. In addition, the presence of glacial till cover hampers exposure and geochemical response over much of the area.

A handwritten signature in black ink, appearing to be 'H. J. [unclear]', located at the bottom right of the page.



MINGOLD RESOURCES INC.

VANCOUVER OFFICE

**LOON CLAIMS
CLAIM MAP**

93E/9, 93F/12

OMINECA M.D.

DRAWN BY: K.T.

DATE: MAR. 1990

APPROVED BY:

REVISED BY:

DATE:

SCALE: 1:50,000

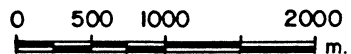
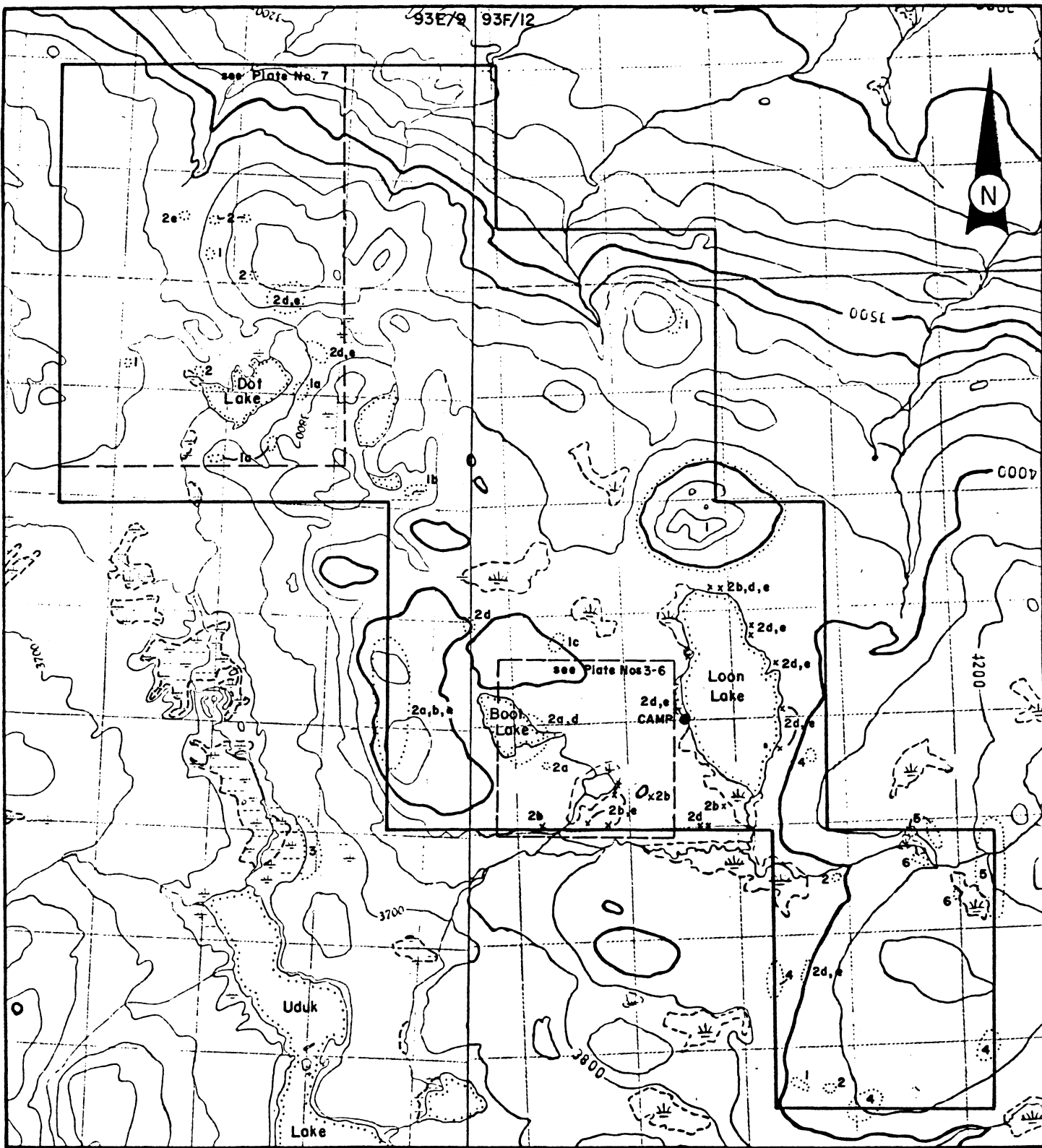


PLATE NO.

1



LEGEND

- | | |
|---|--|
| <p>1 ENDAKO GP BASALT
 1a: perlite (maybe 2)
 1b: pyroclastic flow
 1c: amygdaloidal</p> <p>2 OOTSA LAKE GP RHYODAC.
 2a: bedded tuff
 2b: argillically altered
 2c: propylitized
 2d: silicified
 2e: brecciated</p> <p>3 Quartz-eye porphyry</p> | <p>4 ANDESITE</p> <p>5 QZ. MONZONITE</p> <p>6 ARGILL., CONGL.</p> <p>x Float</p> <p>⊙ Outcrop</p> |
|---|--|

MINGOLD RESOURCES INC.

VANCOUVER OFFICE

**LOON CLAIMS
 GEOLOGY**

OMINECA M.D.

93E/9, 93F/12

DRAWN BY: K.T.

DATE: MAR. 1990

APPROVED BY:

REVISED BY:

DATE:

SCALE: 1:50,000

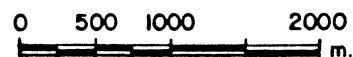


PLATE NO.

2

AIR PHOTO INTERPRETATION

PRESSION

Possible
Caldern Margin

Glacial grooving

Fault

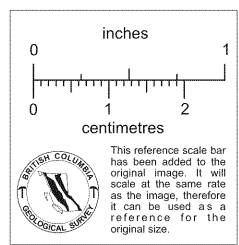
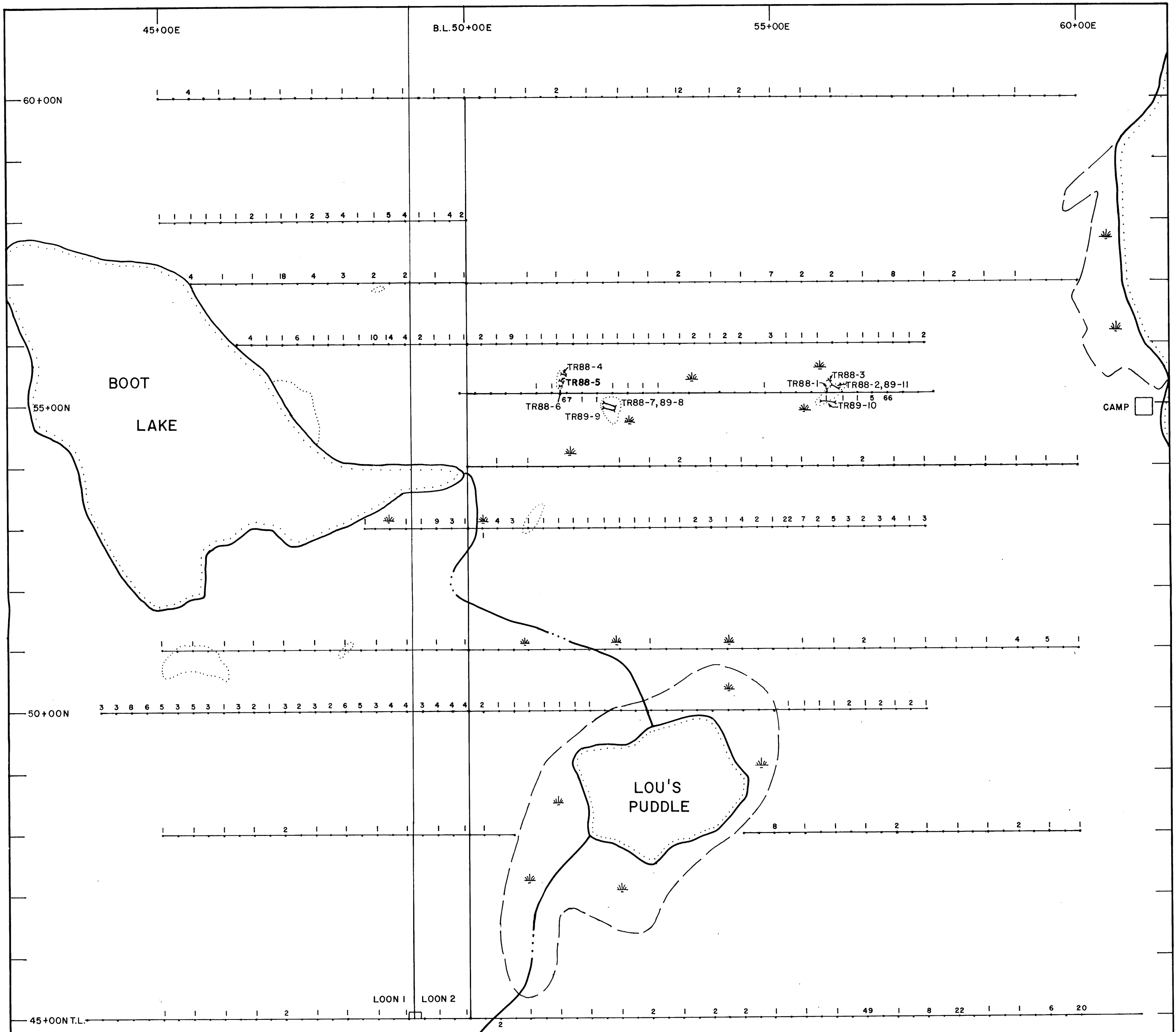
Swamp

BC 7736-114

BC 7736



11



LEGEND

- STATIONS
- OUTCROP
- SWAMP
- TRENCH
- GOLD (PPB) IN SOIL

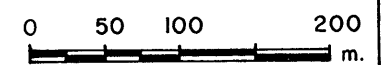
MINGOLD RESOURCES INC.

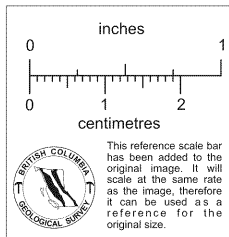
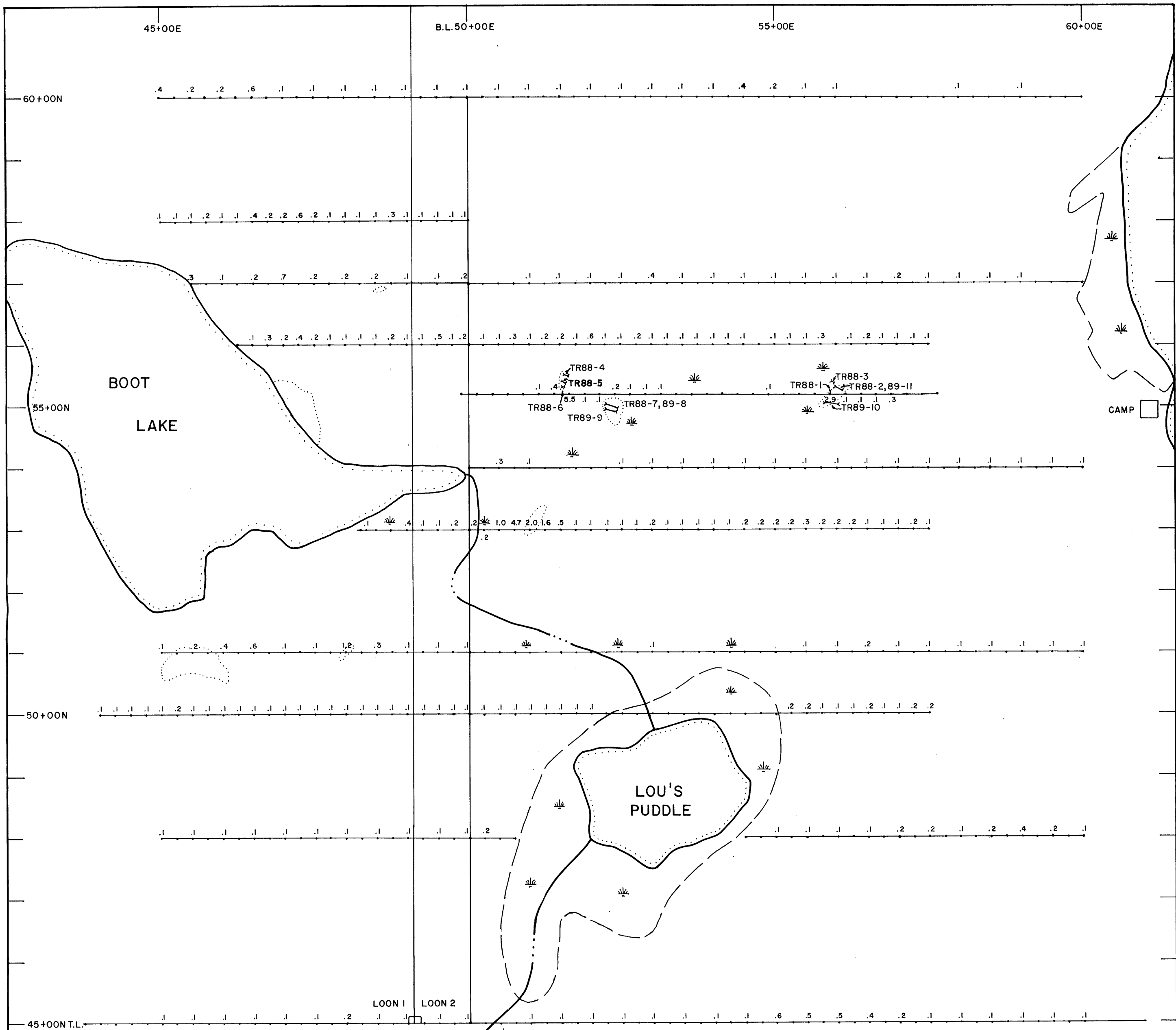
VANCOUVER OFFICE

**LOON CLAIMS
GOLD GEOCHEM**

OMINECA M.D.

93F/12	DATE: MAR. 1990	APPROVED BY:
DRAWN BY: K.T.	DATE:	SCALE: 1:5,000
REVISED BY:		PLATE NO. 3

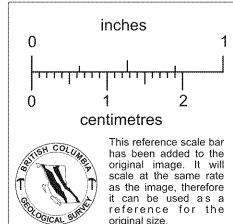
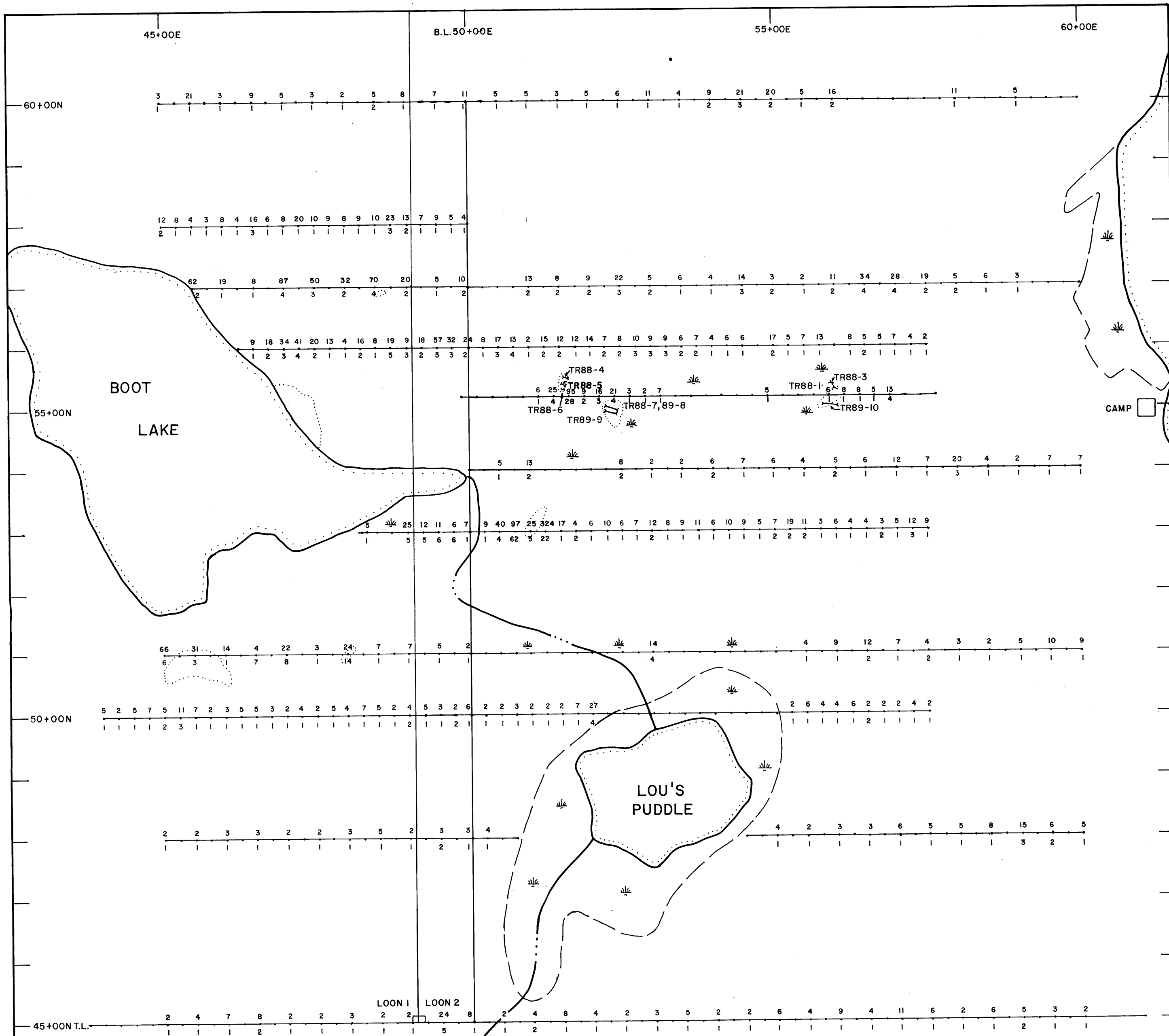




LEGEND

- STATIONS
- OUTCROP
- SWAMP
- TRENCH
- SILVER (PPM) IN SOIL

MINGOLD RESOURCES INC.		
VANCOUVER OFFICE		
LOON CLAIMS SILVER GEOCHEM		
93F/12	OMINECA M.D.	
DRAWN BY: K.T.	DATE: MAR. 1990	APPROVED BY:
REVISED BY:	DATE:	SCALE: 1:5,000
		PLATE NO. 4



- LEGEND**
- +—+— STATIONS
 - OUTCROP
 - ≡ SWAMP
 - TRENCH
 - 6 ARSENIC (PPM) IN SOIL
 - MOLYBDENUM (PPM)

MINGOLD RESOURCES INC.
VANCOUVER OFFICE

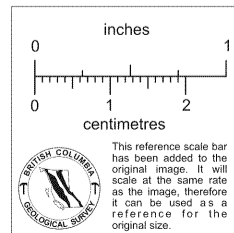
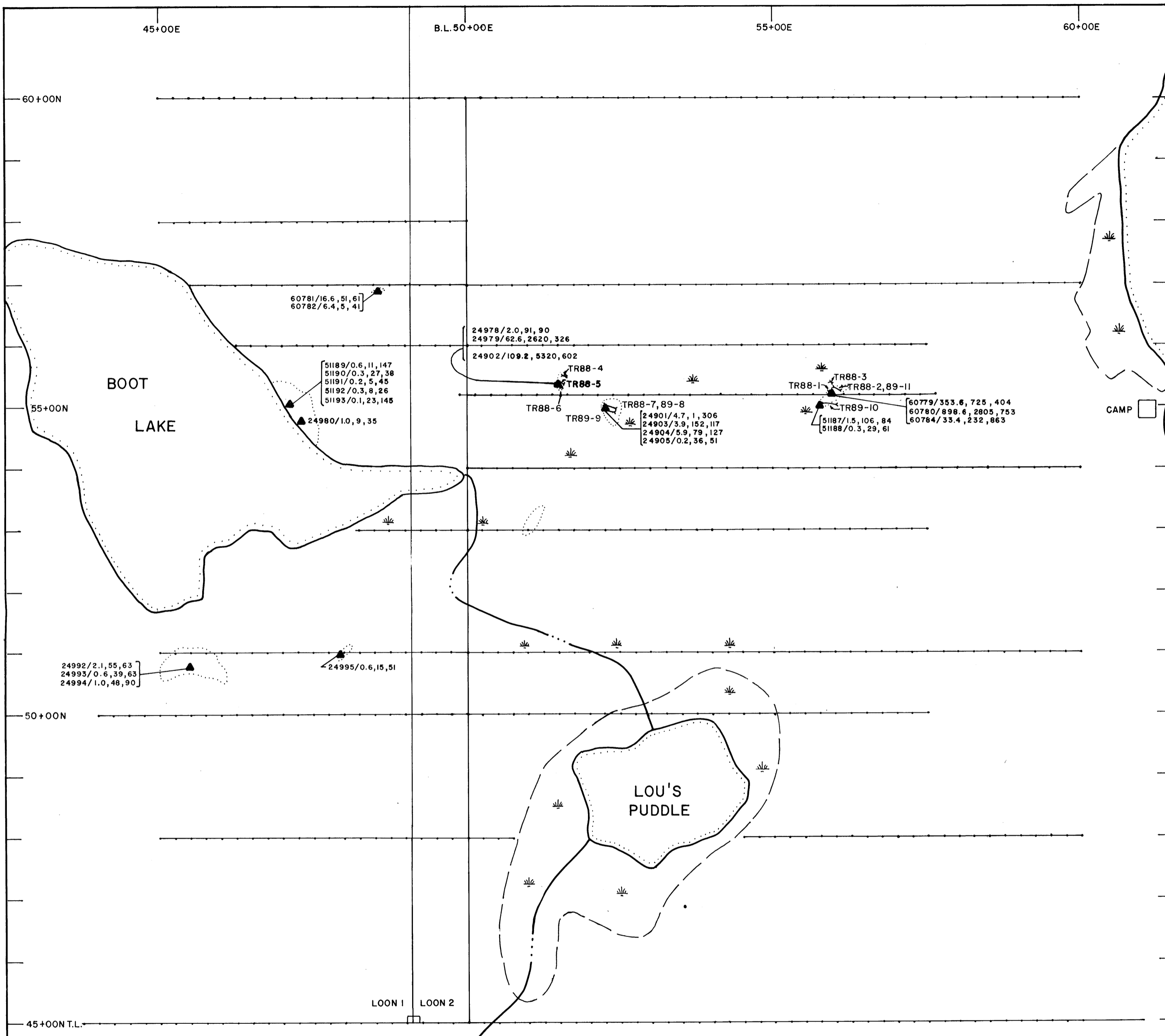
**LOON CLAIMS
AS/MO GEOCHEM**

93F/12	DATE: MAR. 1990	APPROVED BY:
DRAWN BY: K.T.	DATE:	SCALE: 1:5,000
REVISED BY:		

OMINECA M.D.

0 50 100 200
m.

PLATE NO.
5



LEGEND

- STATIONS
- OUTCROP
- ☙ SWAMP
- TRENCH

60780/898.6, 2805, 753

SAMPLE NO. SILVER(ppm) GOLD(ppb) ARSENIC(ppm)

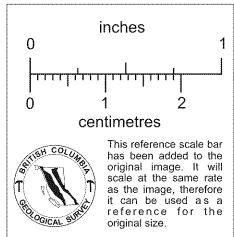
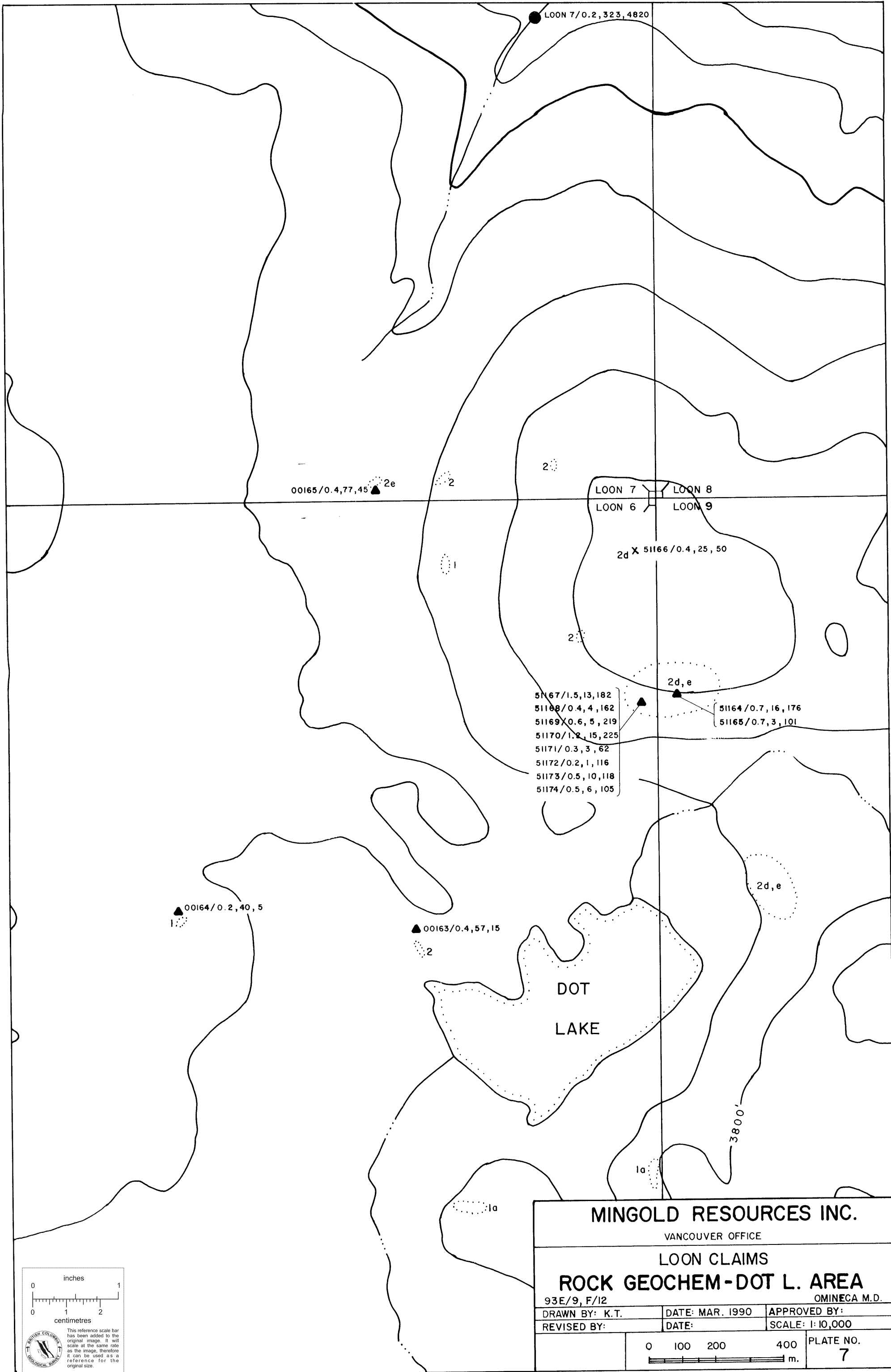
NOTE : SEE 1:50 MAPS FOR TRENCH SAMPLING

MINGOLD RESOURCES INC.

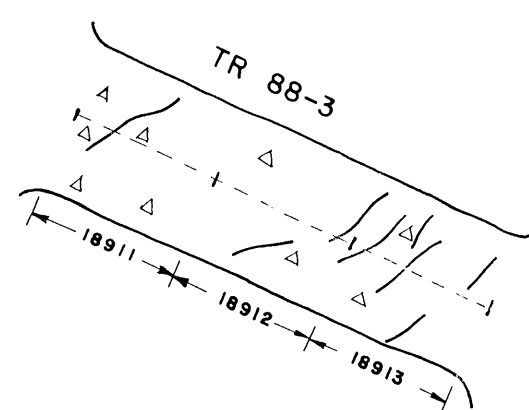
VANCOUVER OFFICE

**LOON CLAIMS
ROCK GEOCHEM**

93F/12		OMINECA M.D.	
DRAWN BY: K.T.	DATE: MAR. 1990	APPROVED BY:	
REVISED BY:	DATE:	SCALE: 1:5,000	
0 50 100 200 m.		PLATE NO. 6	

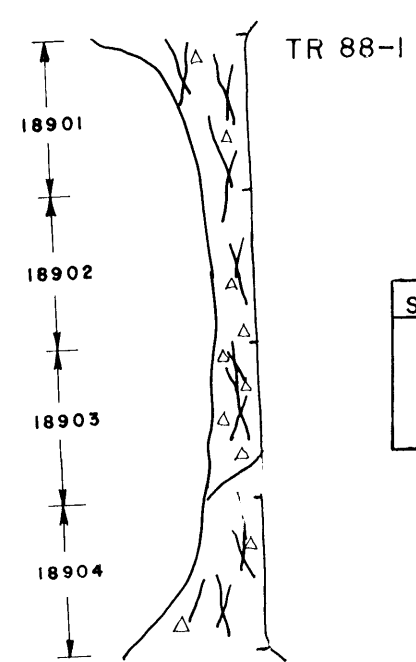
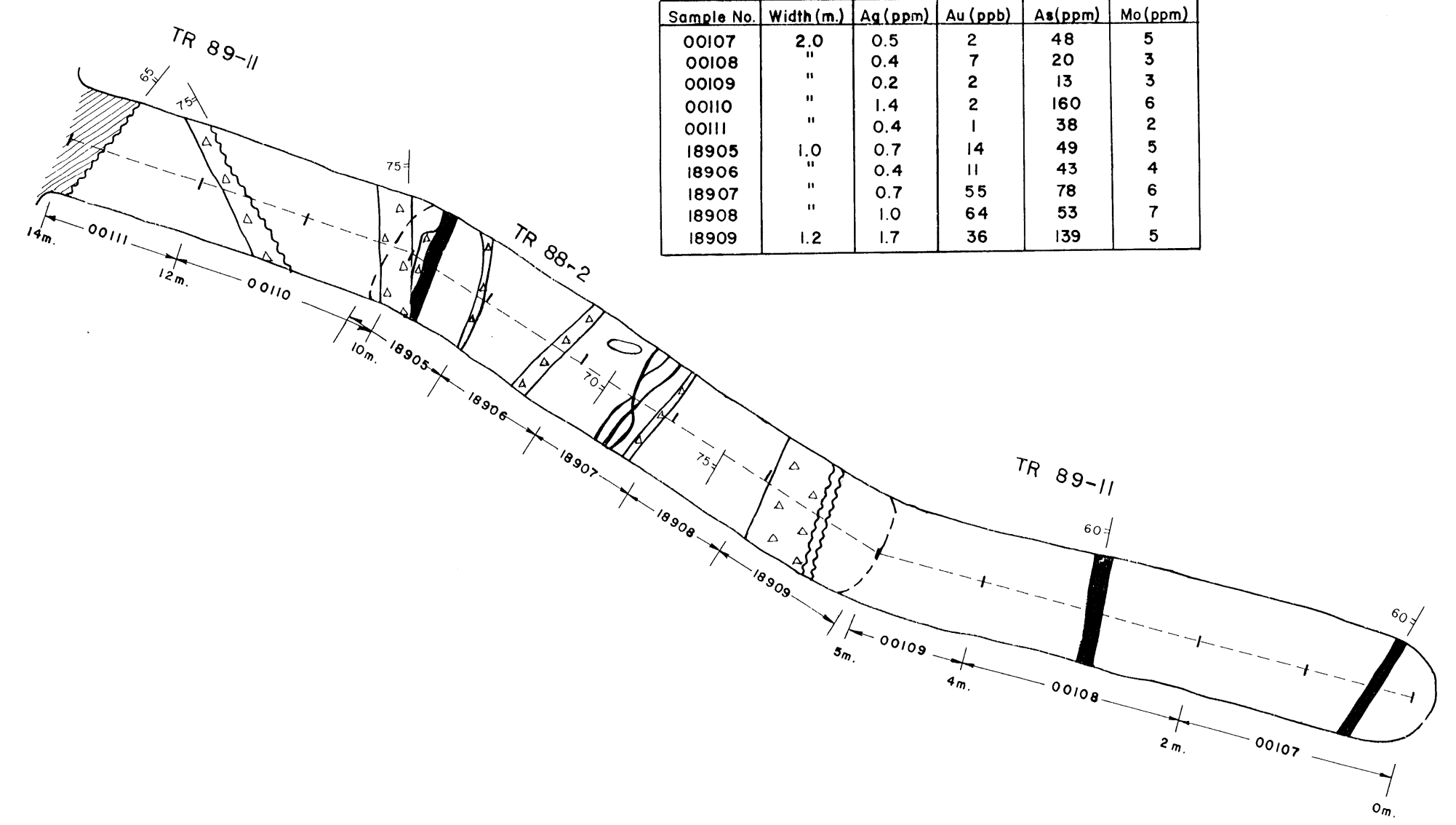


MINGOLD RESOURCES INC.		
VANCOUVER OFFICE		
LOON CLAIMS		
ROCK GEOCHEM-DOT L. AREA		
93E/9, F/12		OMINECA M.D.
DRAWN BY: K.T.	DATE: MAR. 1990	APPROVED BY:
REVISED BY:	DATE:	SCALE: 1:10,000
		PLATE NO. 7



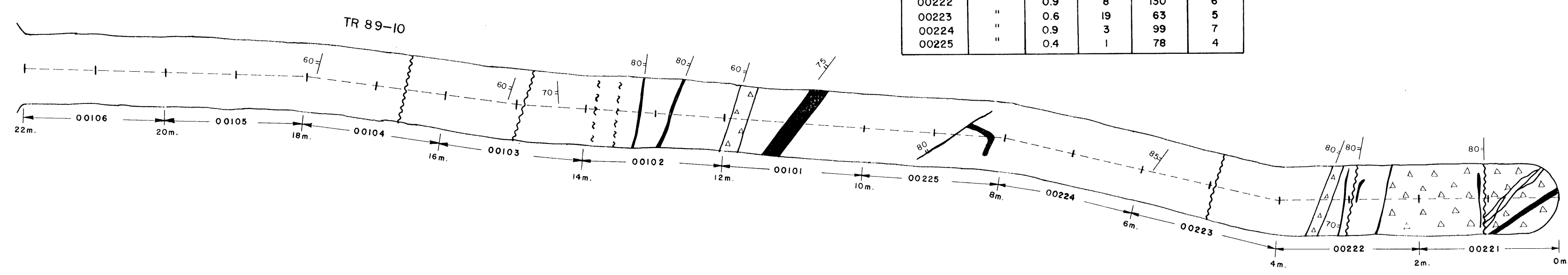
Sample No.	Width(m.)	Ag(ppm)	Au(ppb)	As(ppm)	Mo(ppm)
18911	1.0	1.9	28	71	11
18912	"	1.5	20	103	9
18913	"	7.5	27	73	9

Sample No.	Width(m.)	Ag(ppm)	Au(ppb)	As(ppm)	Mo(ppm)
00107	2.0	0.5	2	48	5
00108	"	0.4	7	20	3
00109	"	0.2	2	13	3
00110	"	1.4	2	160	6
00111	"	0.4	1	38	2
18905	1.0	0.7	14	49	5
18906	"	0.4	11	43	4
18907	"	0.7	55	78	6
18908	"	1.0	64	53	7
18909	1.2	1.7	36	139	5



Sample No.	Width(m.)	Ag(ppm)	Au(ppb)	As(ppm)	Mo(ppm)
18901	1.0	2.2	8	82	4
18902	"	1.1	18	187	6
18903	"	1.5	20	141	10
18904	"	0.7	7	59	7

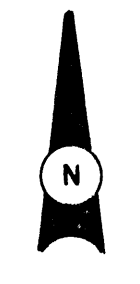
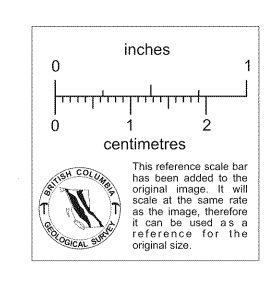
Sample No.	Width(m.)	Ag(ppm)	Au(ppb)	As(ppm)	Mo(ppm)
00101	2.0	0.8	1	88	7
00102	"	0.2	9	31	4
00103	"	0.4	19	45	3
00104	"	0.9	32	115	5
00105	"	1.1	34	95	7
00106	"	0.6	14	58	5
00221	"	1.1	1	120	8
00222	"	0.9	8	130	6
00223	"	0.6	19	63	5
00224	"	0.9	3	99	7
00225	"	0.4	1	78	4

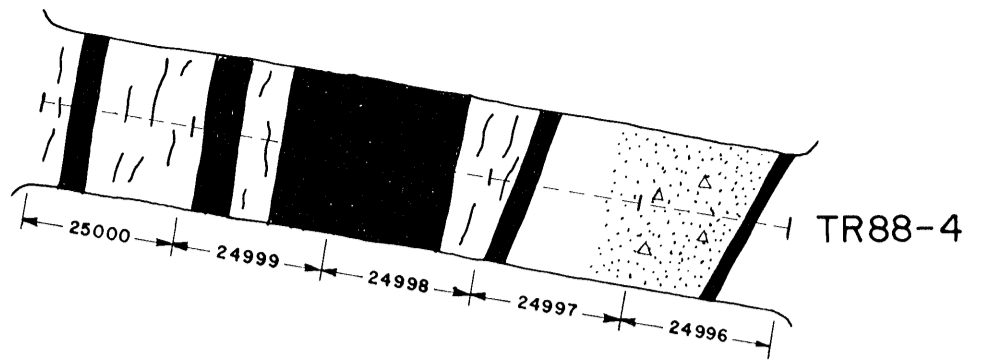


LEGEND

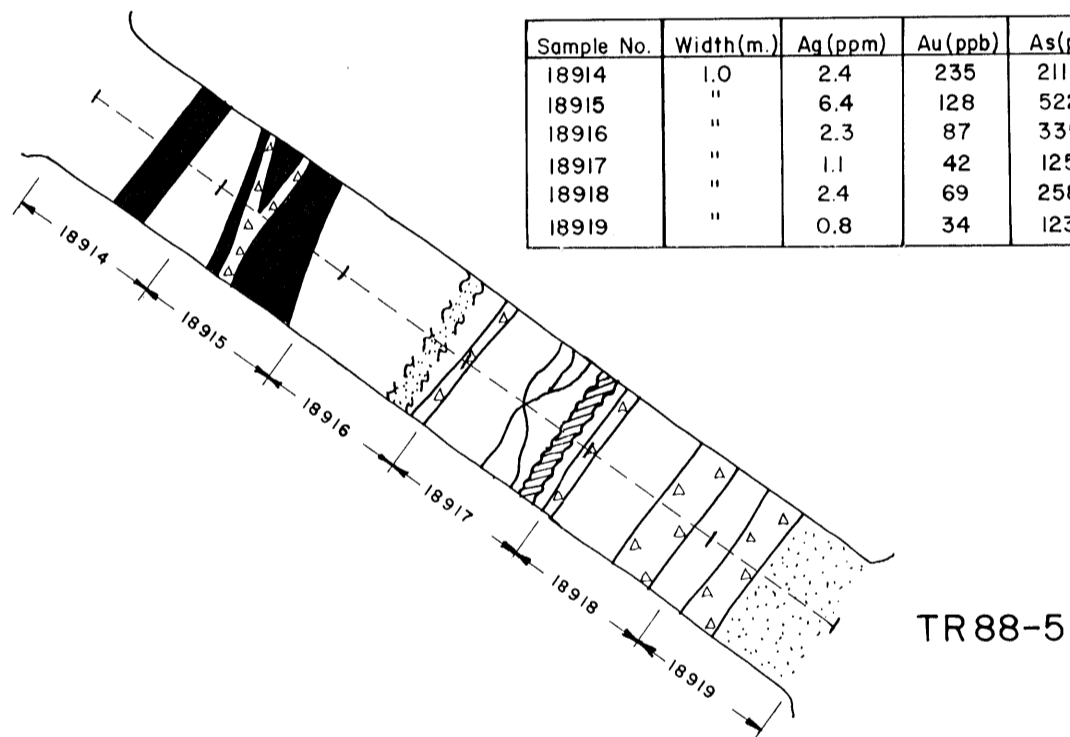
- BANDED CREAM RHYOLITE
- AMORPHOUS SILICA VEIN
- AMORPHOUS SILICA BRECCIA
- INTENSE ARGILLIC ALTERATION
- SHEAR/FAULT ZONE(attitude unknown)
- SHEAR/FAULT ZONE(attitude known)
- STRIKE/DIP OF STRUCTURE

MINGOLD RESOURCES INC.
VANCOUVER OFFICE
LOON CLAIMS
TR88-1, 88-2, 88-3, 89-10, 89-11
S35/12
DRAWN BY: K.T. DATE: MAR 1990 APPROVED BY: OMEGA M.D.
REVISED BY: DATE: SCALE: 1:50
PLATE NO. 8





Sample No.	Width(m.)	Ag (ppm)	Au (ppb)	As (ppm)	Mo (ppm)
24996	1.0	10.2	2365	158	47
24997	"	7.3	1375	216	46
24998	"	25.0	1325	657	262
24999	"	10.4	385	339	293
25000	"	1.4	24	133	50



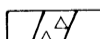
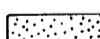
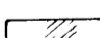
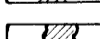



Sample No.	Width(m.)	Ag (ppm)	Au (ppb)	As (ppm)	Mo (ppm)
18914	1.0	2.4	235	211	60
18915	"	6.4	128	522	198
18916	"	2.3	87	335	38
18917	"	1.1	42	125	22
18918	"	2.4	69	258	142
18919	"	0.8	34	123	27

Sample No.	Width(m.)	Ag (ppm)	Au (ppb)	As (ppm)	Mo (ppm)
18921	1.0	5.3	184	156	108



LEGEND

-  BANDED CREAM RHYOLITE
-  AMORPHOUS SILICA VEIN
-  AMORPHOUS SILICA BRECCIA
-  INTENSE ARGILLIC ALTERATION
-  SHEAR/FAULT ZONE (attitude unknown)
-  SHEAR/FAULT ZONE (attitude known)
-  STRIKE/DIP OF STRUCTURE

MINGOLD RESOURCES INC.

VANCOUVER OFFICE

LOON CLAIMS

TR88-4, 88-5, 88-6

93F/12

OMINECA M.D.

DRAWN BY: K.T.

DATE: APR. 1990

APPROVED BY:

REVISED BY:

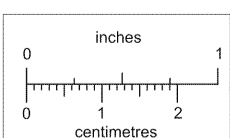
DATE:

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PLATE NO.

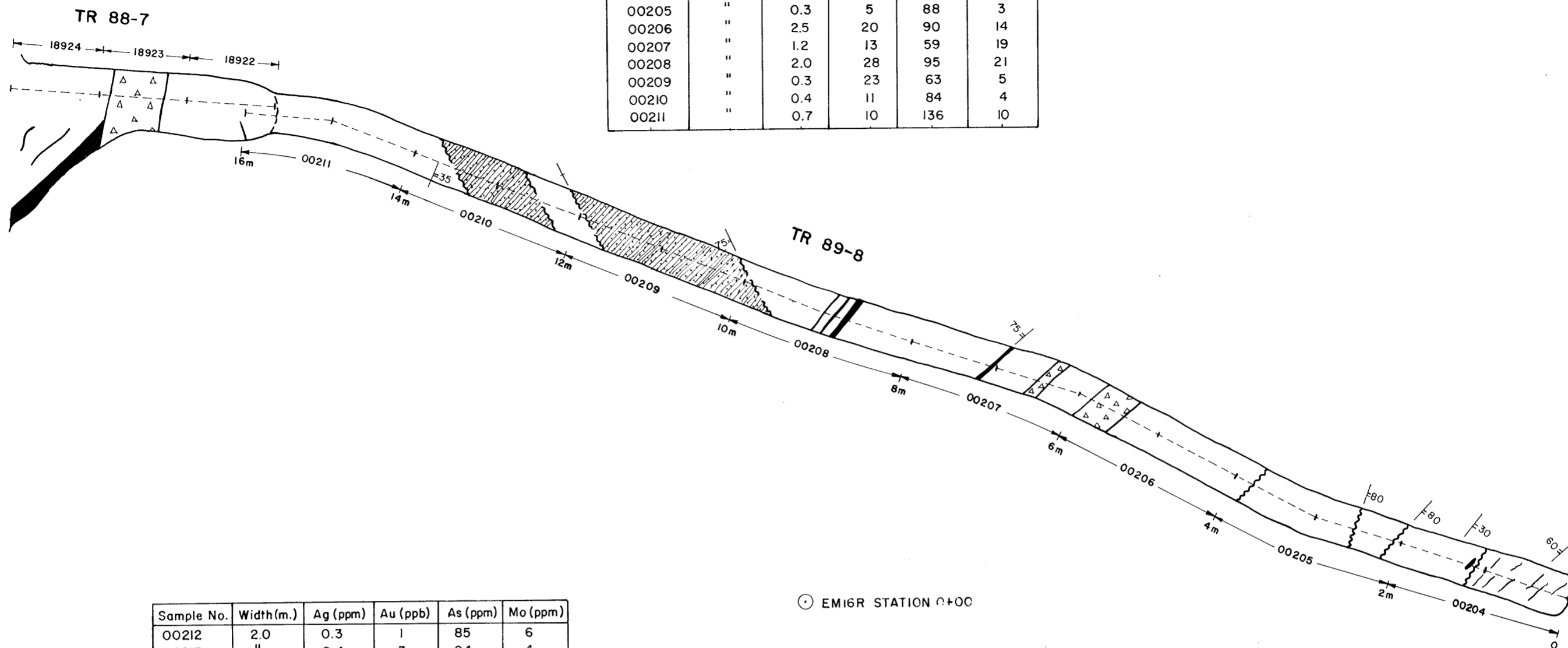
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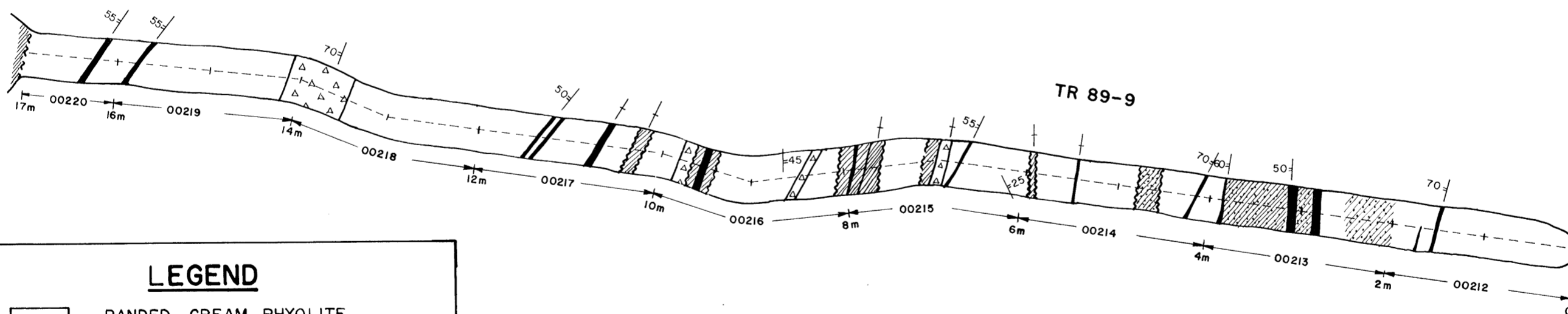
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Sample No.	Width(m.)	Ag (ppm)	Au (ppb)	As (ppm)	Mo (ppm)
18922	1.0	2.0	54	706	18
18923	"	8.0	117	170	102
18924	"	12.7	345	305	78
00204	2.0	0.3	23	74	7
00205	"	0.3	5	88	3
00206	"	2.5	20	90	14
00207	"	1.2	13	59	19
00208	"	2.0	28	95	21
00209	"	0.3	23	63	5
00210	"	0.4	11	84	4
00211	"	0.7	10	136	10

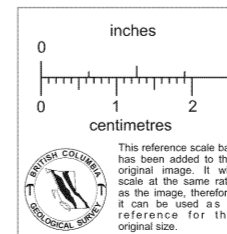


Sample No.	Width(m.)	Ag (ppm)	Au (ppb)	As (ppm)	Mo (ppm)
00212	2.0	0.3	1	85	6
00213	"	0.4	3	94	4
00214	"	0.5	3	63	5
00215	"	4.5	200	89	29
00216	"	0.7	12	74	6
00217	"	0.7	15	82	8
00218	"	2.5	44	98	27
00219	"	1.7	25	138	22
00220	1.0	0.7	2	80	5



LEGEND

- BANDED CREAM RHYOLITE
- AMORPHOUS SILICA VEIN
- AMORPHOUS SILICA BRECCIA
- INTENSE ARGILLIC ALTERATION
- SHEAR/FAULT ZONE (attitude unknown)
- SHEAR/FAULT ZONE (attitude known)
- STRIKE/DIP OF STRUCTURE



MINGOLD RESOURCES INC.

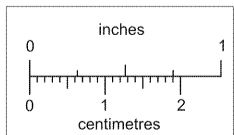
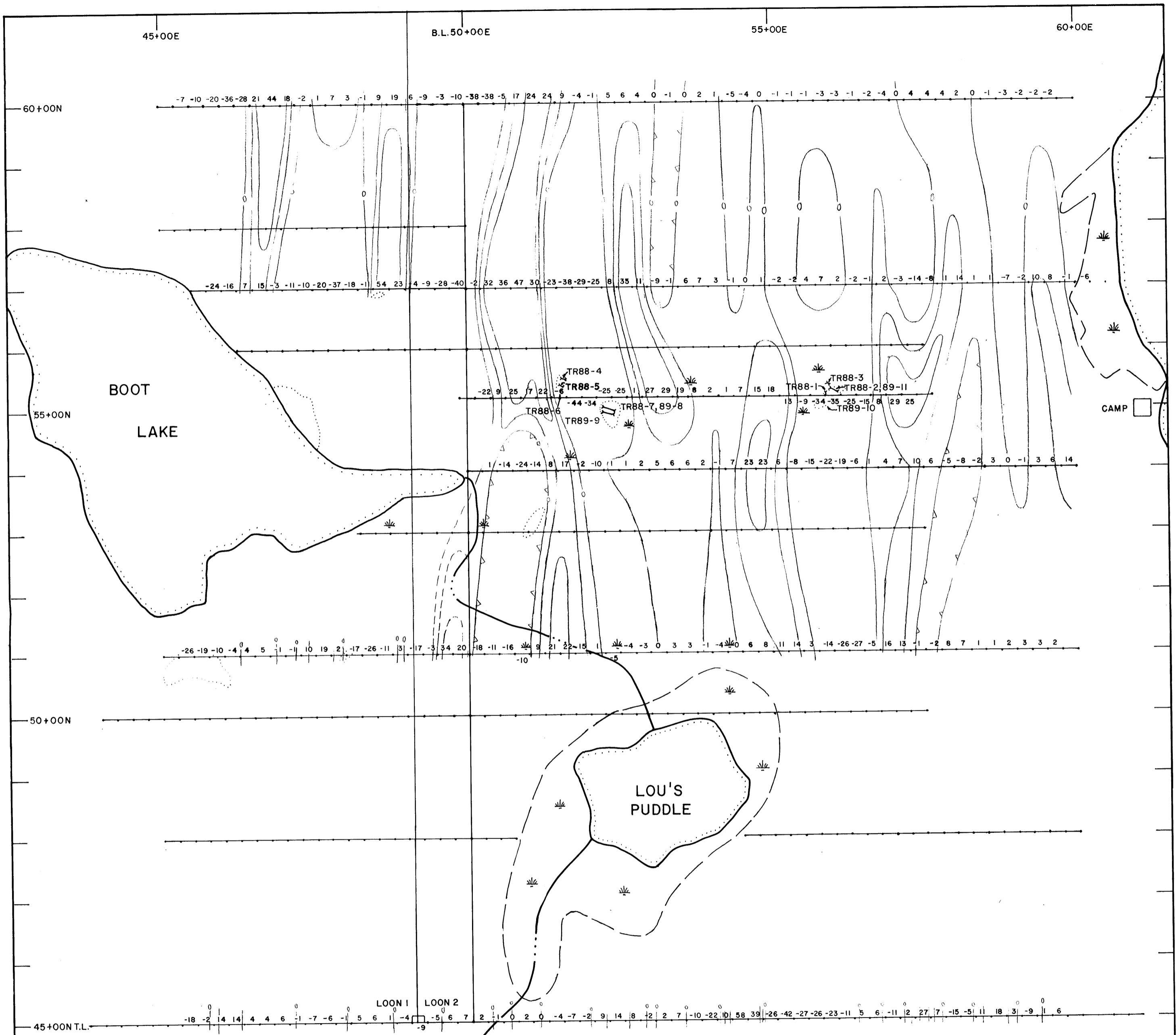
VANCOUVER OFFICE

LOON CLAIMS

TR 88-7, TR 89-8 & TR 89-9

93F/12 OMINCA M.D.
 DRAWN BY: K.T. DATE: MAR. 1990 APPROVED BY:
 REVISED BY: DATE: SCALE: 1:50

0 1 2 m. PLATE NO. 10



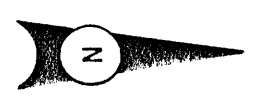
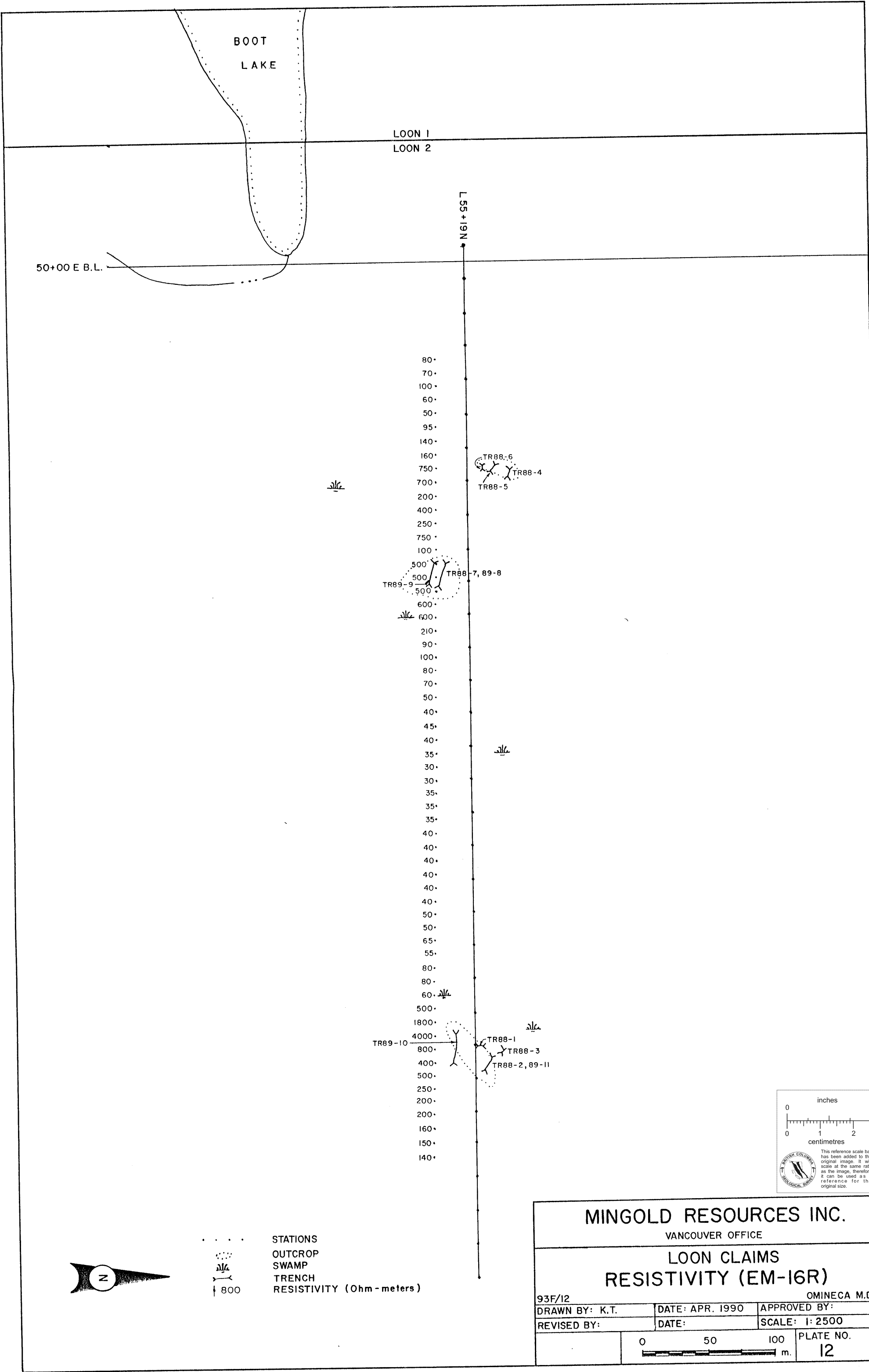
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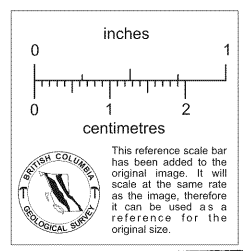
LEGEND

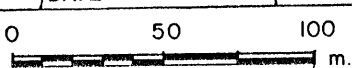
- +— STATIONS
- ⋯ OUTCROP
- ≡ SWAMP
- |— TRENCH

MINGOLD RESOURCES INC.		
VANCOUVER OFFICE		
LOON CLAIMS		
FRASER-FILTERED VLF-EM		
93F/12		OMINECA M.D.
DRAWN BY: K.T.	DATE: MAR. 1990	APPROVED BY:
REVISED BY:	DATE:	SCALE: 1:5,000
		PLATE NO. 11



. STATIONS
 ○ ○ ○ ○ OUTCROP
 SWAMP
 TRENCH
 † 800 RESISTIVITY (Ohm-meters)



MINGOLD RESOURCES INC.		
VANCOUVER OFFICE		
LOON CLAIMS RESISTIVITY (EM-16R)		
93F/12		OMINECA M.D.
DRAWN BY: K.T.	DATE: APR. 1990	APPROVED BY:
REVISED BY:	DATE:	SCALE: 1:2500
		PLATE NO. 12