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February 11, 1988

Memo to: J. Purkis, A. Davidson
 From: Bob Friesen

D Watkins

Subject: Samatosum Project--Proposed Diamond Drill Program
 Spring, 1988

The following diamond drill program is proposed for the Samatosum Project and if approved, could be phased in at the end of the current Celebrity drill program. The purpose of the program is to:

- 1) Test the northwest extension of the mineralized horizon forming part of the Sam Deposit ore reserve west of Section 100+00W.
- 2) Ensure adequate coverage over proposed waste dumps, tailings, and plant site.
- 3) Provide geotechnical information where necessary.
- 4) Complete "fence drilling" across the stratigraphy between the Rea Gold and Sam Silver horizons.

Proposed hole data are as follows:

SECTION	DIP	DEPTH	COMMENTS
100+00NW/655NE	-65SW	60m	
100+40NW/720NE	-90SW	150m	
100+40NW/660NE	-90SW	60m	
101+00NW/600NE	-50SW	150m	
101+00NW/645NE	-90SW	60m	
101+00NW/800NE	-90SW	200m	Possible hole only
101+50NW/660NE	-90SW	100m	
102+00NW/769NE	-50SW	80m	Deepening RG-216
102+00NW/769NE	-90SW	300m	Minimum 150m; depending on strat. coverage req'd.
102+00NW/1005NE	-77SW	217m	Deepening RG-183 to 300m.
103+00NW/275NE	-50SW	150m	Complete fence along 103+00NW.
103+00NW/400NE	-50SW	150m	Ditto.
103+00NW/800NE	-50SW	200m	Max.--depending on strat. coverage req'd.

103+00NW/800NE	-90SW	250m	Ditto.
103+00NW/275NE	-50SW	200m	
103+00NW/500NE	-50SW	216m	Deepening RG-204 to 350m.
Plant Site Area	-50SW	200m	Exploration and geotechnical purposes (Johnson Lk. area).
Plant Site Area	-50SW	200m	Ditto.

TOTAL: 2943m
say: 3000m

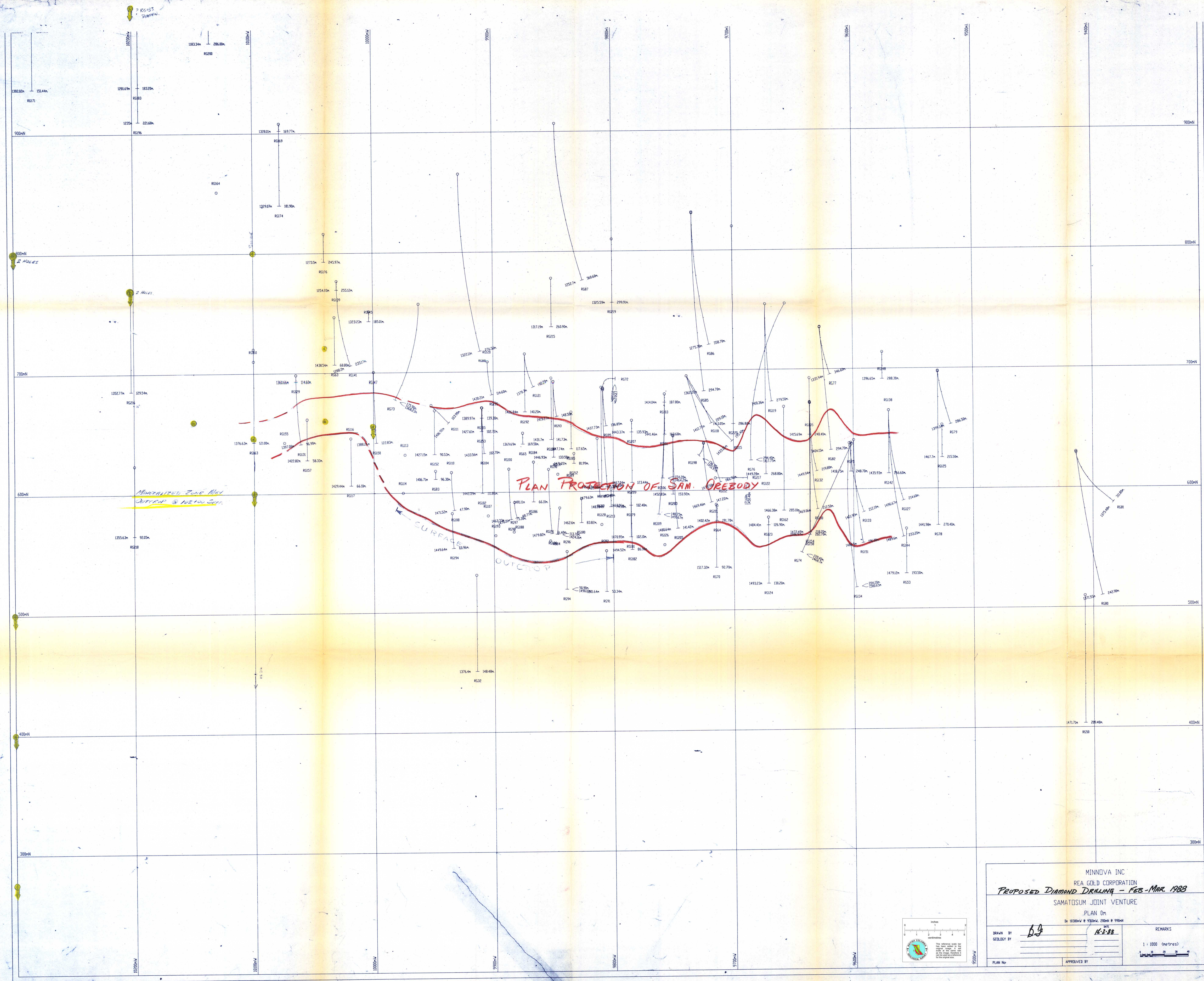
Total Estimated Cost for Diamond Drilling @ \$70/m all up: \$210 000.
(exclusive of Minnova project salaries).

In addition, it is also recommended that the current surveyed grid be extended along Line 500N to Section 103+00NW prior to the start of the program. This is required so that we can accurately tie in the proposed drill holes, some of which are expected to add to the ore reserve. Total estimated cost for this survey work is \$4500 (based on 3km of line).

As this drilling is directly related to the extension of the current known orebody and/or is to provide important geotechnical information relating to the project, it is felt that the cost of this program should be borne by the project budget rather than by the exploration budget.

SUMMARY OF COSTS:	Diamond drilling:	\$210 000
	Surveying:	4 500
	Total:	\$214 500

Bob Friesen



PLAN PROJECTION OF SAM GREEBODY

SURFACE OUTCROP

Mineralized Zone Map
Surveyed @ 1:2500 Scale

MINNOVA INC REA GOLD CORPORATION Proposed Diamond Drilling - Feb-Mar 1988 SAMATSUM JOINT VENTURE PLAN 0m <small>Dr 10300mW # 9300mW, 2800m # 9900m</small>		
DRAWN BY: <i>BJ</i> GEOLOGY BY: _____ PLAN No: _____	16-88 APPROVED BY: _____	REMARKS 1 : 1000 (metres)

