



CORPORATION FALCONBRIDGE COPPER

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March 26, 1984

Mr. Larry Reaugh
Rea Gold Corporation
Suite 15 - 817 Granville Street
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Dear Larry:

REA GOLD OPTION
PROGRESS REPORT JANUARY 1/84 TO MARCH 31/84

Please find attached a summary of diamond drilling completed thus far in 1984. This drilling was successful in delimiting a possible 150,000 tons grading 0.43 oz/ton Au, 3.5 oz/ton Ag, 0.7% Cu, 3.6% Zn and 3.1% Pb which could be amenable to open pit mining.

Work planned for the second quarter includes about 70 km of linecutting, geological mapping, geochemical sampling and geophysics.

Yours truly,

Alex J. Davidson
Senior Exploration Geologist

AJD/ik

RG-16 (9725NW 0+42SSW -90°) was drilled to delineate the northwest strike extent of mineralization near RG-8.

Summary Log

0 - 7.8 Felsic lapilli tuff.
 7.8 - 12.9 Anhydrite? - Qtz - Breccia.
 12.9 - 14.7 Felsic tuff breccia - sulphide rich.
 14.7 - 16.15 Massive sulphides pyrite-arsenopyrite (1.0 m true).
 16.15 - 24.4 Pyritic muddy tuff.
 24.4 - 25.1 Fault zone.
 25.1 - 46.6 Argillite and sandstone.

Assays are:

<u>From</u>	<u>To</u>	<u>Interval</u>	<u>True Width</u>	<u>Ag g/T</u>	<u>Au g/T</u>	<u>% Cu</u>	<u>%Zn</u>	<u>%Pb</u>
13.8	14.7	0.9	0.6	15	1.1	0.08	1.50	0.63
14.7	16.15	1.45	1.0	198.25	7.1	0.87	9.20	7.16

RG-17 (9750NW 0+24SW -90°) was drilled to delineate the northwest extent of the RG-8 mineralization.

Summary Log

0 - 30.7 Felsic lapilli tuff/tuff breccia.
 30.7 - 35.8 Mix tuff andqtz-anhydrite breccia. Includes 34.45-35.7 massive to semi massive sulphides.
 35.8 - 36.7 Fault gouge.
 36.7 - 42.2 Silicified chert breccia with pyritic stockwork?
 42.2 - 43.7 Fault gouge.
 43.7 - 55.6 Pyritic muddy tuff and mafic volcanoclastic.
 55.6 - 57.1 Quartz graphite fault gouge.
 57.1 - 60.1 Argillite and sandstone.

Assays are:

<u>From</u>	<u>To</u>	<u>Interval</u>	<u>True Width</u>	<u>Ag g/T</u>	<u>Au g/T</u>	<u>% Cu</u>	<u>% Pb</u>	<u>% Zn</u>
34.9	35.9	1.0	.7	6.5	0.3	0.04	0.82	0.33

RG-18 (9725NW 0+11SW -90°) was drilled to delineate the RG-8 mineralization down dip of RG-16. No significant results were obtained.

Summary Log

0 - 30.4 Felsic tuff/tuff breccia.
30.4 - 35.2 Fault breccia.
35.2 - 50.0 Felsic tuff - ash and cherty tuff.
50.0 - 58.6 Mix tuff - quartz anhydrite breccia.
58.6 - 58.9 Mineralized gouge 20% py 5% aspy.
58.9 - 68.4 Cherty breccia/stockwork zone.
68.4 - 77.6 Pyritic muddy tuff.
77.6 - 79.0 Fault zone.
79.0 - 88.7 Andesite volcanoclastic.
88.7 - 90.0 Quartz graphite fault zone.
90.0 - 90.85 Argillite/sandstone.

RG-19 (9700NW 0+06NE -90°) was drilled to test the downdip extent of the RG-8 mineralization. No significant results were obtained.

Summary Log

0 - 18 Felsic tuff.
18 - 20.4 Fault breccia.
20.4 - 60.0 Felsic lapilli tuff/cherty tuff/breccia.
60.0 - 78.8 Mix tuff and quartz anhydrite breccia.
78.8 - 79.3 Fault.

79.3 - 89.8 Chert breccia with stockwork sulphides mineralized breccia and silicified chert breccia.
 89.8 - 97.0 Pyritic muddy tuff.
 97.0 - 118.4 Intermediate pyroclastic flow and flow breccia.
 118.4-121.2 Fault.
 121.2-125.9 Argillite and sandstone.

RG-20 (96+75NW 0+16SW -90°) was drilled to delineate the strike extent of the mineralization southeast of RG-8.

Summary Log

0 - 22.2 Quartz diorite.
 22.2 - 35.8 Felsic lapilli-ash tuff.
 35.8 - 53.6 Mixed tuff and quartzose breccia.
 53.6 - 55.2 Massive sulphides 50% aspy (1.12 true).
 55.2 - 55.7 Quartzose fragmental 20% sulphides (.35 true).
 55.7 - 55.9 Semi massive sulphides (.14 true).
 55.9 - 56.3 Chloritic talcose mud.
 56.3 - 58.9 Quartzose-baritic?-tuff.
 58.9 - 71.4 Pyritic muddy tuff.
 71.4 - 77.6 Felsic lapilli tuff.
 77.6 - 86.9 Mixed tuff and chert.
 86.9 - 97.3 Bleached intermediate pyroclastic flow breccia.
 97.3 - 99.7 Fault.
 99.7 - 102.7 Argillite and sandstone.

<u>Hole</u>	<u>From</u>	<u>To</u>	<u>Int(True)</u>	<u>% Cu</u>	<u>% Zn</u>	<u>% Pb</u>	<u>g/T Ag</u>	<u>g/T Au</u>	<u>% As</u>	<u>% Ba</u>
RG-20	53.6	55.2	1.6(1.1)	0.59	4.7	3.92	107.6	6.7	5.75	0.02

RG-21 (9675NW 0+46SW -90°) was drilled to test updip of RG-21.

Summary Log

0 - 14.8 Felsic tuff/chert breccia.
14.8 - 18.7 Massive sulphides 50% aspy (2.7m true).
18.7 - 24.8 Massive barite up to 50% sulphide (4.13 true).
24.8 - 26.4 Fine debris flow up to 50% sulphides (1.12 true).
26.4 - 54.4 Pyritic muddy tuff.
54.4 - 54.9 Semi massive sulphides 50% pyrite.
54.9 - 60.1 Fault gouge and breccia.
60.1 - 79.9 Argillite and sandstone.

<u>Hole</u>	<u>From</u>	<u>To</u>	<u>Int(True)</u>	<u>% Cu</u>	<u>% Zn</u>	<u>% Pb</u>	<u>g/T Ag</u>	<u>g/T Au</u>	<u>% As</u>	<u>% Ba</u>
RG-21	14.8	24.8	10(7.1)	0.43	3.48	2.94	123.5	10.74	3.3	25.01

RG-22 (9650NW 0+34SW -90°) was drilled to test the RG-8 RG-21 mineralization on L9650. No significant results were obtained.

Summary Log

0 - 16.5 Quartz diorite.
16.5 - 23.8 Felsic lapilli tuff.
23.8 - 32.2 Silicified fragmental with sulphide stockwork.
32.2 - 36.2 Fault breccia.
36.2 - 63.0 Pyritic muddy tuff.
63.0 - 73.0 Intermediate flow - debris flow.
73.0 - 81.7 Chert breccia.
81.7 - 83.4 Fault.
83.4 - 93.6 Argillite and sandstone.

RG-23 (9650NW 0+01NE -90°) was drilled to test mineralization downdip of RG-22. No significant assays were received.

Summary Log

0 - 42.8	Mafic flows and breccias.
42.8 - 51.4	Fault zone.
51.4 - 63.4	Mafic tuffs, ash tuffs.
63.4 - 72.8	Mafic flow.
72.8 - 83.2	Mixed tuff and quartz breccia.
83.2 - 98.6	Chert breccia.
98.6 - 106.3	Muddy pyritic tuff.
106.3 - 121.3	Pyroclastic flow breccia.
EOH - 121.3	

RG-24 (9625NW 0+33SW -50 at 225°) was drilled to test a potential faulted offset of the RG-8 zone. The hole failed to intersect sulphides. No significant assays were received.

Summary Log

0 - 32.8	Basalt.
32.8 - 41.6	Intermediate pyroclastic flows.
41.6 - 43.8	Mixed tuff and quartz breccia.
43.8 - 51.8	Chert breccia.
51.8 - 54.8	Fault.
54.8 - 58.4	Argillite and fine debris flow.
58.4 - 62.8	Fault and sediments.
EOH - 62.8	

RG-25 (9700NW 0+46SW -90) was drilled to test updip of RG-8.

Summary Log

0 - 13.6 Felsic Lapilli Tuff.
13.6 - 19.9 Massive sulphides.
19.9 - 24.5 Massive barite.
24.5 - 25.2 Pyritic fine debris flow.
25.2 - 37.6 Muddy tuff.
37.6 - 40.5 Quartz - talc graphite fault.
40.5 - 45.1 Interbedded argillite and siltstone.
EOH - 45.1

Assays

<u>From</u>	<u>To</u>	<u>Interval</u> (True)	<u>% Cu</u>	<u>% Zn</u>	<u>% Pb</u>	<u>g/T Ag</u>	<u>g/T Au</u>
13.6	25.2	11.6(8.2) includes	0.82	4.93	3.89	145.7	17.7
16.4	21.4	5 (3.5)	1.52	9.03	7.01	210.7	33.25

RG-26 (100+00NW 1+70NE -50° at 225°) was drilled to test 100m. down dip of RG-5. No significant assays were received.

Summary Log

0 - 68 Felsic to intermediate tuff - lapilli tuff.
68 - 81.9 Mafic tuff, cherty tuff and chert.
81.9 - 100.1 Intermediate lapilli tuff.
100.1 - 110.4 Mixed tuff, ash tuff and chert.
110.4 - 135.8 Chert with some sulphides.
135.8 - 141.1 Muddy tuff.
141.1 - 153.3 Intermediate pyroclastic flow.

153.3 - 157.1 Mixed tuff and chert.
 157.1 - 167 Hangingwall volcanoclastic.
 167 - 174.2 Sediments with minor pyroclastics.
 174.2 - 179.2 Pyroclastic flow breccia.
 179.2 - 198.1 Sediments.
 EOH - 198.1

RG-27 (9900NW 170NE -89° at 225°) was drilled to test 100m. down dip of RG-11.

Summary Log

0 - 10.8 Chert.
 10.8 - 15.6 Intensely sericitized tuff.
 15.6 - 19.6 Chert with 4cm band massive pyrite and up to 5% sphalerite-galena.
 19.6 - 56.0 Intermediate tuff, lapilli tuff.
 56.0 - 74.3 Sericitic pyrite tuff (up to 20% pyrite).
 74.3 - 144 Felsic intermediate tuff, lapilli tuff.
 144 - 156 Sericitic tuff with chert.
 156 - 188.7 Black graphitic chert with sericitic tuff.
 188.7 - 193.3 Interbedded argillite and tuff.
 193.3 - 225 Intermediate tuff, lapilli tuff with minor sediment.
 EOH - 225

<u>From</u>	<u>To</u>	<u>Interval</u>	<u>Assays</u>				
			<u>% Cu</u>	<u>% Zn</u>	<u>% Pb</u>	<u>g/T Ag</u>	<u>g/T Au</u>
16.1	17.1	1.0	<0.01	<0.01	<0.01	5.8	0.2
175.5	177.0	1.5	0.08	1.15	0.35	6.8	1.0

RG-28 (9760NW 043SW -90°) was drilled to test the northwest extent of the RG-8 zone. No significant sulphides were intersected.

Summary Log

0 - 10.1 Fault - quartz graphite.
10.1 - 30.5 Interbedded siltstone and argillite.
EOH - 30.5

RG-29 (9700NW 181NE -46° at 225°) was drilled to test a strong VLF conductor 100 metres northeast of the main Rea conductor. No significant sulphides were intersected.

Summary Log

0 - 11 Sericitic tuff.
11 - 28.0 Graphitic argillite (conductor?).
28.0 - 30.9 Fault gouge and breccia.
30.9 - 60.0 Felsic - intermediate tuff, lapilli tuff.