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SUMMARY OF 1990 RAINBOW DRILLING

Drilling was completed in the Midway Mine area during October. Seven holes were drilled, for a total of 1171.46 metres (summary logs are attached). A total of 274 samples were collected during the drill program.

Holes 90-1 and 90-2 were drilled to test the Midway shear zone and alteration system at depth beneath the upper trench. Hole 90-1 intersected about 23 metres of altered Qtz-Fsp Porphyry, mineralized with pyrite and local massive py/gal veins to 3 cm. The best result from this hole was 1.14 g/t Au and 208 g/t Ag, over 1.5 metres, in an interval of bleached, silicified Qtz-Fsp Porphyry containing a narrow sulfide vein. A 10.5 metre interval of the most strongly altered porphyry returned an average grade of 326 ppb Au and 52.7 ppm Ag. Hole 90-2 was drilled to test this zone at greater depth, and intersected several zones of Qtz-Fsp Porphyry, clay altered and silicified and mineralized with up to 10% pyrite. Alteration and mineralization was less intense than in the first hole. The intrusives appear to be relatively flat lying sheets, intruding along the foliation in the serpentine, rather than "plugs" as previously believed. Gold values are locally anomalous (to 726 ppb) in the altered porphyry. A narrow band of serpentine, between two bodies of porphyry, strongly silicified and with minor late quartz veinlets, returned 86.6 ppm Ag over 2.1 metres. Silver values are also strongly anomalous in the overlying intrusive. Anomalous arsenic and antimony, and weakly anomalous gold values, accompany high silver values. At depth in the second hole a thick conglomerate unit was intersected, containing 1-2% interstitial pyrite and skarnified limestone clasts. This unit is interpreted to be the Brooklyn Sharpstone Conglomerate. Typically in the Greenwood camp, skarn development occurs at the contact of this unit with underlying limestones (as on the adjoining Maymac ground). No significant values were obtained

from samples of the conglomerate.

Holes 90-3 and 90-4 were drilled parallel to the first two holes, but about 75 metres to the east, testing the extension of the Midway zone. Hole 90-3 intersected about 26 metres of Qtz-Fsp Porphyry at the top of the hole, with local bleaching and silicification, and up to 5% pyrite. Weakly anomalous gold and arsenic values occurred within this zone. Hole 90-4 intersected about 25 metres of porphyry near the top of the hole, altered as in the previous hole. A 12.5 metre interval of this altered intrusive averaged 242 ppb Au and 1.7 ppm Ag. Over 70 metres of Brooklyn conglomerate were intersected at depth; no significant results were obtained from samples of the conglomerate.

Holes 90-5, 90-6 and 90-7 were drilled towards the west to define a complete east-west section in the Midway Mine area and to test for steep northeast trending Tertiary faults. Hole 90-5 intersected a thick sequence of Triassic Brooklyn conglomerate (over 100 metres), with local strong epidote alteration, pyrite, mariposite and rare epithermal quartz veining. The hole was ended in the conglomerate without reaching the basal contact. There were no anomalous results from this hole. Hole 90-6 collared at the upper portal of the Midway Mine and drilled to the west, parallel to the Midway shear zones. About 50 metres of Qtz-Fsp Porphyry was intersected, silicified and bleached with py mineralization for much of this distance. A 2 metre interval of sheared, altered intrusive from this zone returned values of 164 ppb Au and 67.8 ppm Ag. There were no significant results elsewhere in the hole. The last hole, 90-7, collared on Lone Boulder Hill, to the west of the mine, and drilled to the west, through a known Tertiary fault zone. Two zones of Qtz-Fsp Porphyry were intersected, 70 and 50 metres thick respectively, each with local bleaching, silicification, clay alteration and pyrite mineralization. The intrusives are separated by a major steeply dipping Tertiary fault, about 15 metres in width, below which is a complex sequence of Tertiary sediments and volcanics, porphyry and serpentine, locally intensely altered. This sequence is underlain by a 25 metre zone of strongly silicified

serpentine, with zones of up to 30% mariposite and local quartz flooding. Results from the altered intrusive, fault zone and silicified serpentine were disappointing, with a maximum value of 155 ppb Au in the Qtz-Fsp Porphyry. Silver values were negligible. Platinum and palladium assays are being run on the samples of most intensely altered serpentine from this zone, but results are not available at this time.