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DATE: March 19, 1992
TO: D. Heberlein, G. Wells
COPIES TO: A. Davidson, I. Pirie, John Gordon
FROM: C.J. Clayton
RE: 1992 Drill Proposal - Rainbow/Tam O'Shanter Property

INTRODUCTION

A 5 hole, 800 metre drill program is proposed to follow-up anomalous gold results returned from holes TM 91-16, TM 91-19, and TM 91-20A. Drilling is planned to commence on the property on March 24, 1992, pending work approval.

SUMMARY

Encouraging Au results were returned from three of the final holes of the 1991 drilling program on the Rainbow-Tam O'Shanter property. Important intersections are summarised below.

HOLE TM 91-16 (P-18): 26.14 metres @ 0.754 g/t Au
26.14 metres @ 145 ppm Cu

HOLE TM 91-16 (P-18): 35.99 metres @ 0.180 g/t Au
35.99 metres @ 204 ppm Cu

HOLE TM 91-19 (P-17): 53.48 metres @ 0.266 g/t Au
incl: 5.08 m @ 0.442 g/t Au
15.0 m @ 0.440 g/t Au
9.00 m @ 0.510 g/t Au
Cu < 0.1%

HOLE TM 91-20A: 27.07 metres @ 1.09 g/t Au
incl: 19.42 m @ 1.5 g/t Au
16.42 m @ 1.71 g/t Au
3.30 m @ 7.3 g/t Au

In holes TM 91-19 and 91-20A the highest grades are associated with the perimeter of a diorite intrusion intersected in hole TM 91-16. In hole 19 the upper zone of mineralization occurs in andesites

near the contact with the underlying diorite intrusion. The lower zone occurs within the intrusion itself, which is strongly clay altered in areas.

From a historical perspective, gold values from the major producing mines that operated in the area are low. Values from the Phoenix mine averaged only 1.37 g/t Au, but with 0.99% Cu. Gold grades at the Motherlode mine were 1.03 g/t with 0.7% Cu. The Greyhound pit had average Au grades of 0.069 g/t Au with 0.27% Cu.

Proposed Drilling:

Five holes are planned totalling 800 metres. Drilling on the Rainbow-Tam O'Shanter in 1992 will focus on following up on anomalous intersections returned from three drill holes at the end of the 1991 program. Mineralization occurs associated with the margins of a diorite intrusion, and within the intrusion itself. Higher gold values may occur in areas characterised by the presence of magnetite.

HOLE P-1:

Hole P-1 is located at 0+43S, 8+05E and will test the gold zone encountered in hole 91-16 approximately 200 metres along strike. The intrusion intersected in hole 91-19 is thought to underlie this area, and a strong I.P. anomaly (+20 mV/V) and Au soil anomaly (up to 94 ppb Au) occur locally.

HOLE P-2:

This hole, located at 0+28S and 6+63E will test possible extensions of mineralization in holes 91-20A and 91-19 300 metres and 175 metres along strike, respectively, to the southeast. The hole will be located close to a mag anomaly similar to one present near hole 91-19. Again, the area is characterised by high chargeability (+20 mV/V).

HOLE P-3:

Hole P-3, located at 1+25N, 5+35E will directly test the southeast strike extension of Hole 91-20A, with a 100 metre step-out. The area is characterised by a good soil geochem anomaly with values up to 110 ppb Au in soil.

HOLE P-4:

Hole P-4 is located 300 metres south of hole P-3 and will test the broad soil geochem anomaly that continues in this direction. Soil samples taken in this area are as high as 170 ppb Au.

HOLE P-5:

Hole P-5 will test chargeability and resistivity features similar, if not identical, to those intersected in hole TM 91-20A. A zone of high resistivity (+1000 ohm-m) has associated with it along its western flank a linear resistivity break and zone of high chargeability (+35 mV/V). Spotty elevated Cu and Au soil geochemistry is present in this area.

TABLE 1

RAINBOW-TAM O'SHANTER PROPERTY, 1992

PROPOSED DRILL HOLE LOCATIONS

HOLE	LOCATION	COLLAR			DEPTH	TARGET
		AZ	DIP	ELEV		
P-1	043S 805E	050	-45	1313 metres	150 metres	Test gold zone in 91-16 200 metres along strike.
P-2	028S 663E	050	-45	1312 metres	150 metres	Test southeast strike extensions of mineralization in 91-19 and 91-20A; 300 metre step-out.
P-3	125N 535E	230	-45	1382 metres	150 metres	Test southeast extension of zone 20A 100 metres along strike.
P-4	200S 490E	270	-45	1445 metres	160 metres	Test 1.4 km linear Au soil anomaly near best value of 170 ppb Au.
P-5	360N 475E	210	-45	1355 metres	200 metres	Intersect geophysical zone similar to Zone 20A.