825073

DATE: February 3, 1992

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FROM: C.J. Clayton

RE: Winter 1992 Drill Proposal - Rainbow Tam O'Shanter Property

INTRODUCTION

A 5 hole, 850 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 12, 1992.

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

Interval	Length	Cu (ppm)	Au (ppb)	Au Assay
52.0-54.78	2.78	244	1000	1.0 g/t
54.78-55.4	0.62	32	44	
55.4-58.52	3.12	196	86	
58.52-60.66	2.14	156	266	
60.66-64.11	3.45	94	130	
64.11-64.31	0.2	1317	1500	1.78 g/t
64.31-65.53	1.22	30	183	
65.53-66.13	0.6	1303	310	
66.13-69.63	3.5	69	610	
69.63-73.14	3.51	98	2600	2.85 g/t
73.14-75.15	2.0	18	1500	1.82 g/t
75.15-78.15	3.0	39	219	

HOLE TM 91-16 (CONT'D): 35.99 metres @ 0.180 g/t Au
35.99 metres @ 204 ppm Cu

Interval	Length	Cu (ppm)	Au (ppb)	Au Assay
108.51-110.1	1.59	839	530	
110.1-113.1	3.00	210	230	
113.1-116.1	3.00	122	122	
116.1-119.1	3.00	83	117	
119.1-122.1	3.00	143	108	
122.1-125.1	3.00	199	71	
125.1-128.1	3.00	284	112	
128.1-131.1	3.00	198	338	
131.1-134.1	3.00	165	296	
134.1-137.1	3.00	223	214	
137.1-140.1	3.00	158	105	
140.1-143.1	3.00	161	113	
143.1-144.5	1.40	125	119	

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%

Interval	Length	Cu (ppm)	Au (ppb)	Au Assay
55.32-58.32	3.0	245	266	
58.32-61.32	3.0	196	304	
61.32-63.40	2.08	270	642	
63.40-65.00	1.6	250	115	
65.00-67.35	2.35	92	91	
67.35-70.35	3.0	93	74	
70.35-73.35	3.0	51	458	
73.35-76.35	3.0	197	114	
76.35-79.35	3.0	160	122	
79.35-82.35	3.0	103	108	
82.35-85.35	3.0	49	63	
85.35-88.35	3.0	204	112	
88.35-91.35	3.0	350	119	
91.35-94.35	3.0	319	639	
94.35-97.35	3.0	98	133	
97.35-100.35	3.0	97	788	
100.35-103.35	3.0	99	368	
103.35-106.35	3.0	51	376	
106.35-108.8	2.45	79	158	

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

Interval	Length	Cu (ppm)	Au (ppb)	Au Assay
145.14-147.65	2.51	1663	425	
147.65-150.65	3.00	668	160	
150.65-153.40	2.75	616	280	
153.40-156.70	3.30	8321	5900	7.30 g/t
156.70-158.56	1.86	726	220	
158.56-161.56	3.0	254	412	
161.56-164.56	3.0	228	120	
164.56-167.56	3.0	170	81	
167.56-170.56	3.0	148	57	
170.56-172.21	1.65	291	339	

In holes TM 91-16 and 91-20A the highest grades are associated with Tertiary structures (faults, shears, veins) oriented at low angles (10°-20°) to the core axis. Lower grade Au values occur throughout hanging wall and footwall rocks to these structures. In hole TM 91-20A the highest grades are carried within a chalcopyrite stockwork zone. The thickness of the interval in core is 3.3 metres however it is questionable whether or not this is true thickness. Two distinct structural textures are seen through the interval from 153.4 m to 156.7 m. The first texture appears to be a fairly restricted set of mineralized quartz veins and chalcopyrite veins occupying a specific orientation at 10° to the core axis. Veins are up to 2 cm in width but more commonly 1/2 to 1 cm, occurring as parallel sets every 5 to 10 cm. The second type of structural texture seen is a reticulate, or "step-like" texture of 1/2 cm quartz/chalcopyrite veins with one orientation at 48° to the core axis, and the other at 45°. Mineralization cross-cuts a number of different rock types including a Tertiary dyke. The purpose of this hole was to test for mineralization related to major west and northwest trending structures in this particular area, and to that end the hole was quite successful. A true orientation and thickness on this zone could be obtained by a further drill hole followed by trenching along the projected strike

of the zone.

Hole TM 91-19 differs from the two previous holes in that the majority of the low grade Au mineralization is contained within a quartz dioritic porphyry and no obvious controlling structures are seen. The Au grades throughout this interval are fairly consistent and are anomalous from 55.32 metres to the end of the hole. There is a significant possibility that Au mineralization continues deeper than the level reached by drilling and this porphyry style mineralization should be further tested.

Proposed Drilling:

Five holes are planned totalling 910 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. Evidence suggests mineralization is Tertiary in age and structurally controlled, although one hole showed mineralization associated with a quartz diorite intrusive with no associated structures noted in drill core. Drilling will commence on, or around March 12, 1992.

HOLE P-1:

Hole P-1, located on line 1+65N at 4+30E, will test the Au bearing zone intersected in hole TM 91-20A (20A Zone) approximately 115 metres to the southeast of the zone, and at depth. Elevated Au values have been returned from soil samples in this area, and a broad chargeability high with a coincident strong resistivity feature is present.

HOLE P-2:

This hole, located at 2+00N and 5+50E will test possible parallel mineralized zones and porphyry mineralization at depth beneath hole TM 91-19.

HOLE P-3:

Hole P-3 will deepen hole TM 91-19 to further test the extent of the porphyry mineralisation encountered in this hole during the 1991 drill program. A broad zone of high chargeability (+35mV/V) is present in this area.

HOLE P-4:

Hole TM 91-16 intersected 26.14 metres of 0.754 g/t Au from 52.0 to 78.15 metres and 35.99 metres of 0.180 g/t Au from 108.51 to 144.5 metres. Structure is likely the control over higher Au grades, and Hole P-4 will test this possibility 75 metres along strike of potential mineralising structures. Elevated Cu and Au soil geochemistry occurs downslope of this area and coincident resistivity, resistivity and mag features will be tested by drilling.

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	165N 430E	050	-50	1325 metres	180 metres	Intersect Zone 20A 115 metres along strike to southeast.
P-2	200N 550E	050	-60	1338 metres	180 metres	Intersect parallel mineralised zones and porphyry mineralisation underneath TM 91-19.
P-3 (91-19)	150N 600E	090	-70	1350 metres	X'TND 80 metres	Deepen hole TM 91-19 to test for further porphyry mineralisation.
P-4	200N 625E	050	-60	1332 metres	210 metres	Test mineralisation intersected in TM 91-16 75 metres along strike to north-west.
P-5	400N 450E	235	-50	1336 metres	200 metres	Intersect geophysical zone similar to Zone 20A.