

OVERVIEW OF THE MERRY WIDOW PROPERTY

Taywin Resources Ltd. is exploring copper-gold deposits on the Merry Widow property. Taywin has title to the mine claims subject only to a 12.5% net profits interest. The property, located on Vancouver Island in the Canadian province of British Columbia, is accessed from an established community on tidewater by an excellent all-weather road.

PRIOR PRODUCTION

Held for many years by Quatsino Copper Gold Mines Ltd., the property has a long history of exploration, commencing with the earliest locations made in 1897. Quatsino's 1929 prospectus relates that in 1913 the asking price for the claim block was \$1 million. The controlling group sold the northern half of the claims which was eventually developed as Coast Copper's Old Sport Mine, under Cominco management. The prospectus goes on to report values in copper, gold, silver, nickel and cobalt. While unmentioned in the earlier reports, the property also contains magnetite, an iron ore. Development was curtailed during the Depression but in 1957 an iron mine was established on the property. Copper and gold were not recovered by the simple ore concentrating plant. Indeed, the gold bearing copper sulphides were avoided because sulphur contaminated the iron ore.

The deposits, described as skarns developed in a limestone horizon and in an overlying wedge of pyroclastics near the contact with a diorite stock. In 1961, provincial government geologist reported attractive copper, gold and silver values in sulphides associated with the magnetite. Gold content exceeded 1 oz per ton in several of their sulphide specimens. Sulphide content increased with depth and to the north-east of the Merry Widow open pit. Copper-gold skarns are the basis of important mining operations in British Columbia, the Western U.S. and in Australia.

Iron mining ceased in 1967. However, in 1962, Cominco reopened its mine in the area. Between 1967 and 1972, they mined a copper-gold orebody on Quatsino ground. Cominco called this operation the Benson Lake Mine. At today's prices, production worth \$420 million was extracted from formations on and adjacent to claims now owned by Taywin.

INFRASTRUCTURE

A number of existing facilities on the property and in the district contribute to economical exploration, development and production. The workings are an hour's drive from an airport with direct connections to Vancouver. Recent logging on the claims has improved access and visibility. The Kingfisher haulage adit, some 500 metres (1,600 feet) long is in perfect condition. The adit, draw points, raises and sublevels are well positioned for mining the deeper mineralization explored to date, and would be useful for drill stations. Cost to drive these openings today would be nearly \$1 million. The shallower mineralization can be mined at low strip ratios because it has been partially stripped by the existing pit. A large copper-gold milling facility is within hauling distance of the property.

1989 EXPLORATION PROGRAM

Taywin has spent approximately \$1/2 million exploring the Merry Widow property. Work included mapping, trenching, surface sampling, diamond drilling 2850 metres (10,000 ft) in 42 holes, rehabilitating the extensive underground workings and conducting a limited geophysical survey.

Results of the program were most encouraging. Diamond drilling, centred on the Merry Widow open pit, encountered a number of ore grade zones both in the northeast shoulder of the pit and below the pit bottom. Highlights from the drilling are listed over the page. Not listed but also present are significant silver values to several ounces per ton and cobalt assays to 0.5%. The impressive hole 89-30, was drilled on the Raven zone 200 metres north of the Merry Widow pit. The Raven, now largely backfilled with waste rock, was abandoned by the iron miners because of excess copper and zinc sulphides. Preliminary metallurgical work indicates that 75% to 80% of the gold and copper can be recovered in a gravity/flotation plant. The use of environmentally sensitive cyanide will not be required.

Other discoveries of note are the Bluebird, Marten, Snowline, and South Pit showings. The Whiskey Jack deposit, another sulphide bearing magnetite deposit, is described in the old reports but it remains to be explored. The magnetometer survey, while conducted over only a limited area, shows the promise of further magnetite-sulphide deposits. The survey will have to be extended on Taywin's holdings to the north and south, along the favorable margins of the gabbro-diorite intrusion.

Exploration in the coming months will concentrate on better defining the geology, searching for additional geophysical targets, and diamond drilling to examine new targets and define the mineralization found to date. The Benson Lake mine, deeper in the geological section, also merits attention, especially where the prolific old Sport horizon meets the intrusion. A bigger, richer orebody is often found at such a contact.

Several other commodities are present at the Merry Widow. Magnetite, now widely used in coal preparation plants, is a potential by-product. The high cobalt assays are of interest but the role of this metal, worth \$8.00 per pound, will only be determined following metallurgical testing. The white limestone and marble found over a number of Taywin's claims are also of economic interest. The same formation is being mined in the immediate area by others. With so many attributes, the Merry Widow shows good promise for a profitable operation.





GEOLOGY OF THE MERRY WIDOW PROPERTY

The oldest rocks in the area are the early Upper Triassic Karmutsen volcanic rocks consisting of pillow basalts and andesites, and are thought to be several kilometres thick.

The Karmutsen Formation is overlain by the middle Upper Triassic Quatsino Formation, a limestone sequence 600 - 1200 metres thick. The upper one-third of this sequence contains argillaceous layers. Regionally the Quatsino Formation strikes southeasterly and dips gently to the southwest.

Overlying the Quatsino Limestone is the late Upper Triassic Bonanza volcanic rocks. This package consists predominately of massive andesitic to dacitic flows and tuffs, commonly with feldspar phenocrysts. Locally, the Bonanza Formation is underlain by an argillaceous sedimentary package, with gradational contacts between the two.

Fine grained andesitic dykes and sills intrude the Quatsino and Bonanza formations. These dykes and sills have similar appearance to the host volcanics and are difficult to differentiate. These, possibly, are feeders to the Bonanza volcanic rocks.

All three formations are intruded by the Coast Copper Stock to the west. Near the contact with the stock the southwest dipping formations become intensely buckled. The Coast Copper Stock is a multi-phase intrusion with the composition varying from gabbroic margins to quartz monzonite centres. The stock appears to be the source of the metasomatizing fluids and is also responsible for the necessary structures in the development of the skarn zones.

Two such structures are responsible for the localizing of the skarn zones in the vicinity of the Merry Widow Pit. These structures are the northerly trending intrusive contact and the northeasterly trending Kingfisher Fault.

Skarn Zones are present in the pit as well as in several outcrops proximal to the limestone - volcanic contact. Three main skarn types were observed. Closest to the intrusion is a massive, medium to dark brown garnetoid skarn. Moving away from the intrusion the garnetoid skarn grades into garnet-actinolite skarn, coarse crystalline actinolite +/- calcite skarn and finally a fine grained epidote skarn. Magnetite is associated with all the skarn zones and is present in structures cutting across the recrystallized limestone.

Magnetite occurs as tabular bodies, lenses and as fracture fillings, lying subparallel to the easterly dipping diorite intrusive contact and along the northeasterly trending Kingfisher Fault zone. Minor chalcopyrite and pyrite is present in the calcite matrix within the magnetite. Cobaltite with minor native gold is also present in the south wall on the lowermost bench.

Sulphide mineralization is predominately concentrated in the northeast walls of the Merry Widow open pit. A small exposure is also present in the lower most southwest wall immediately south of the vent raise. The sulphides are associated mainly with actinolite skarn and in places in the calcite matrix. The sulphides strike north to northeast and dip steeply to the east or southeast. The sulphides present, in order of decreasing abundance, include pyrrhotite, chalcopyrite, pyrite and arsenopyrite. Minor cobaltite has been noted in the south wall on the lowermost bench of the pit area.

The sulphides form massive bodies within the contact area of the Bonanza volcanics and the Quatsino limestone. The massive sulphides generally consist of eighty percent pyrrhotite, three to five percent chalcopyrite and less than one percent pyrite.

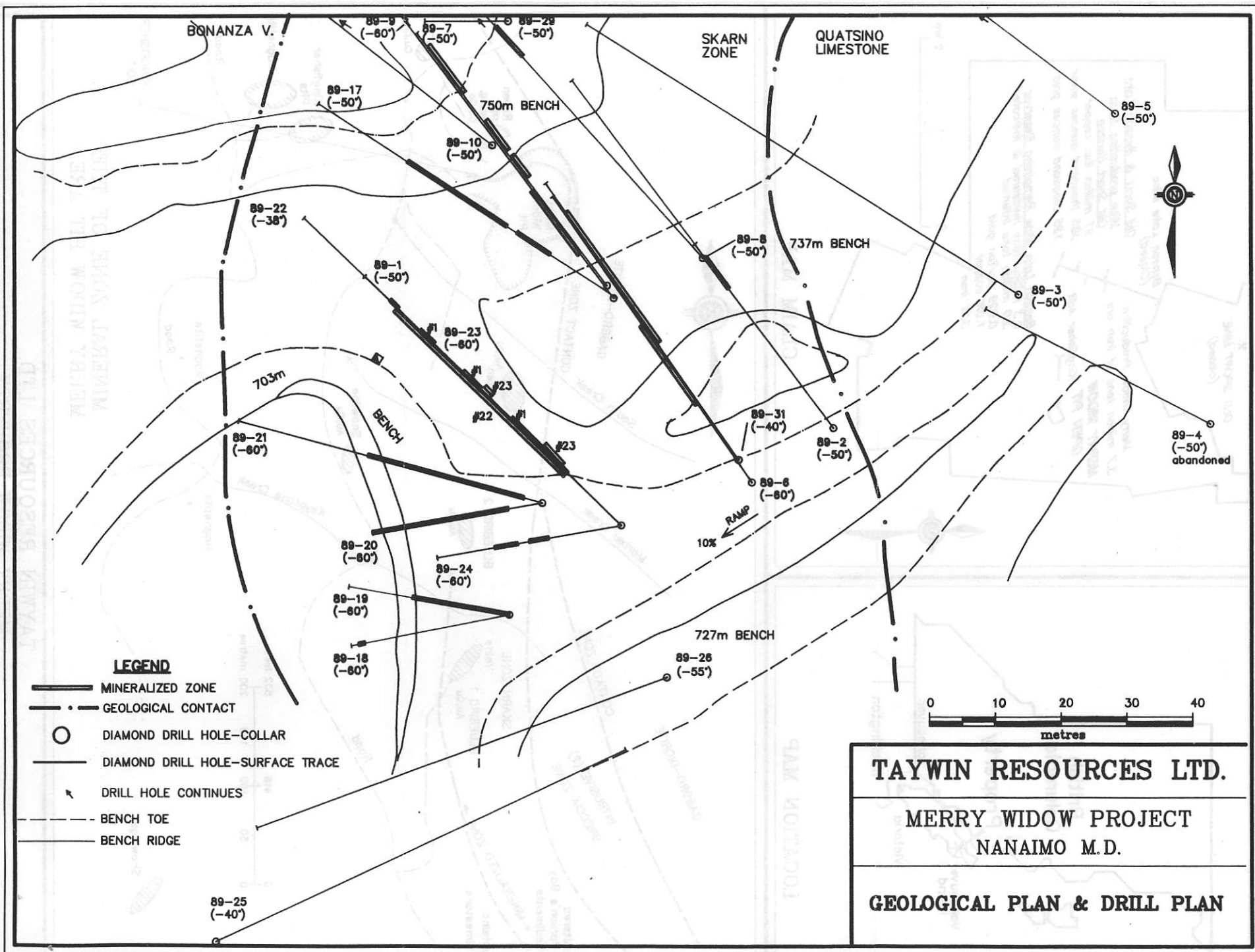
The sulphides are zoned with respect to sulphide mineralogy. Pyrrhotite and chalcopyrite occur together. Pyrite when present, forms midway down the sulphide rich section and is in a distinct zone.

Gold, copper and silver mineralization is associated with the massive pyrrhotite-chalcopyrite. There is a strong correlation between gold and copper values but no correlation with silver. Some of the more interesting intersections are listed below:








DDH	WIDTH(METRES)	GOLD(OPT)	COPPER(%)
89-1	55.1	0.13	0.20
89-6	31.0	0.15	0.42
89-7	14.0	0.39	0.21
89-17	46.0	0.10	0.99
89-19	29.0	0.17	0.60
89-20	43.4	0.20	1.34
89-22	45.0	0.11	0.33
89-31	38.0	0.10	0.38

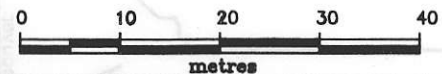
At present the majority of the work has been done on the main Merry Widow pit. The Raven Zone lies immediately northeast of the Merry Widow pit. Limited work has been done here but one drill hole, 89-30, returned 0.26 OPT gold and 0.73% copper across five metres.

Past production from the Merry Widow totalled 3.7 million tons of 50%+ iron ore.



LEGEND

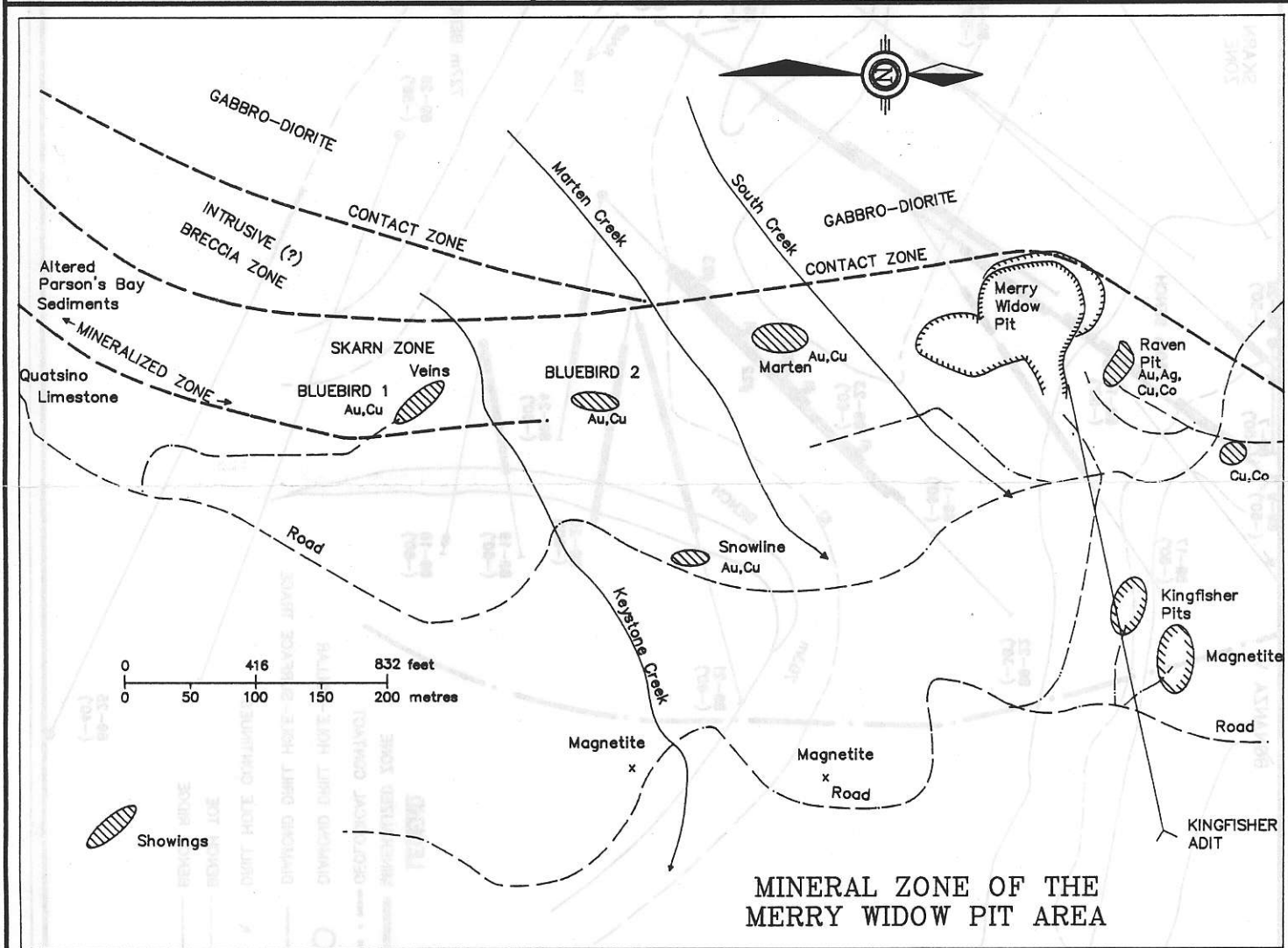
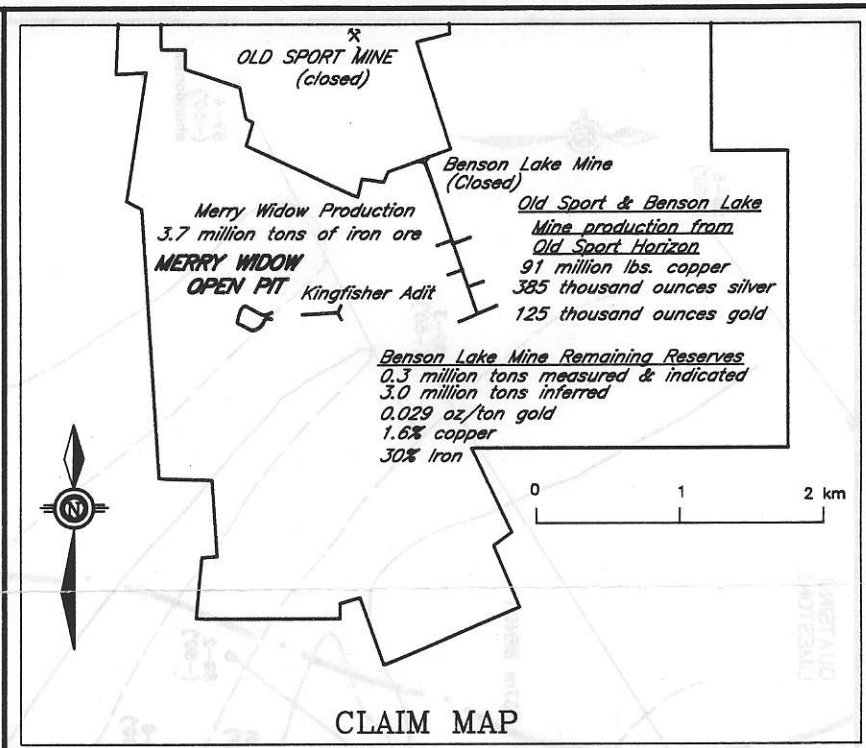
-  MINERALIZED ZONE
-  GEOLOGICAL CONTACT
-  DIAMOND DRILL HOLE—COLLAR
-  DIAMOND DRILL HOLE—SURFACE TRACE
-  DRILL HOLE CONTINUES
-  BENCH TOE
-  BENCH RIDGE



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