

MINNOVA

MEMORANDUM

DATE: May 10, 1989

A TO: I. D. Pirie

825435

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DE FROM: G. Evans

SUJET SUBJECT: Jolly Drill Proposal

A 1200 m drill program is planned to start on the Jolly property in mid June, 1989. The program consists of 7 holes to test major gold bearing structures that could host sizeable deposits. These holes will also test geophysical anomalies and will allow better correlation of geology and geophysics for future drilling.

P ₁	L 9+50N, 7+25E	Azimuth 000°	Dip 045°	Length 150 m
P ₂	L 9+50N, 4+50E	Azimuth 000°	Dip 045°	Length 150 m

(P₂ contingent on results of P₁)

These holes are to test an area under the placer channel. Trenches and float in the channel are reported to carry talc schist with 10-15% pyrite. This zone hosts a majority of the placer gold as fine nuggets and flour. A regional E-W magnetic low trend cuts across this area and strikes towards the Mt. McKinney mine. The Mt. McKinney veins are in E-W structures and a ground magnetic survey detected a strong magnetic low feature at the north end of the grid. The IP survey indicates moderate chargeability with low resistivity. A talc-carbonate-green mica zone just to the south carries significant gold values of up to .898 oz/t over 30 cm.

P ₃	L 3+50N 2+40E	Azimuth 270°	Dip 45°	Length 150 m
P ₄	L 5+00N 3+00E	Azimuth 270°	Dip 45°	Length 150 m

These holes are designed to test a major shear zone between sediments and foliated diorite. P₃ will test this zone in the area of the old Gold Standard workings and an old stamp mill.

P₄ will test this zone to the north of the workings. The structure is outlined well by a magnetic break as well as a large transition in chargeability and resistivity on the IP survey.

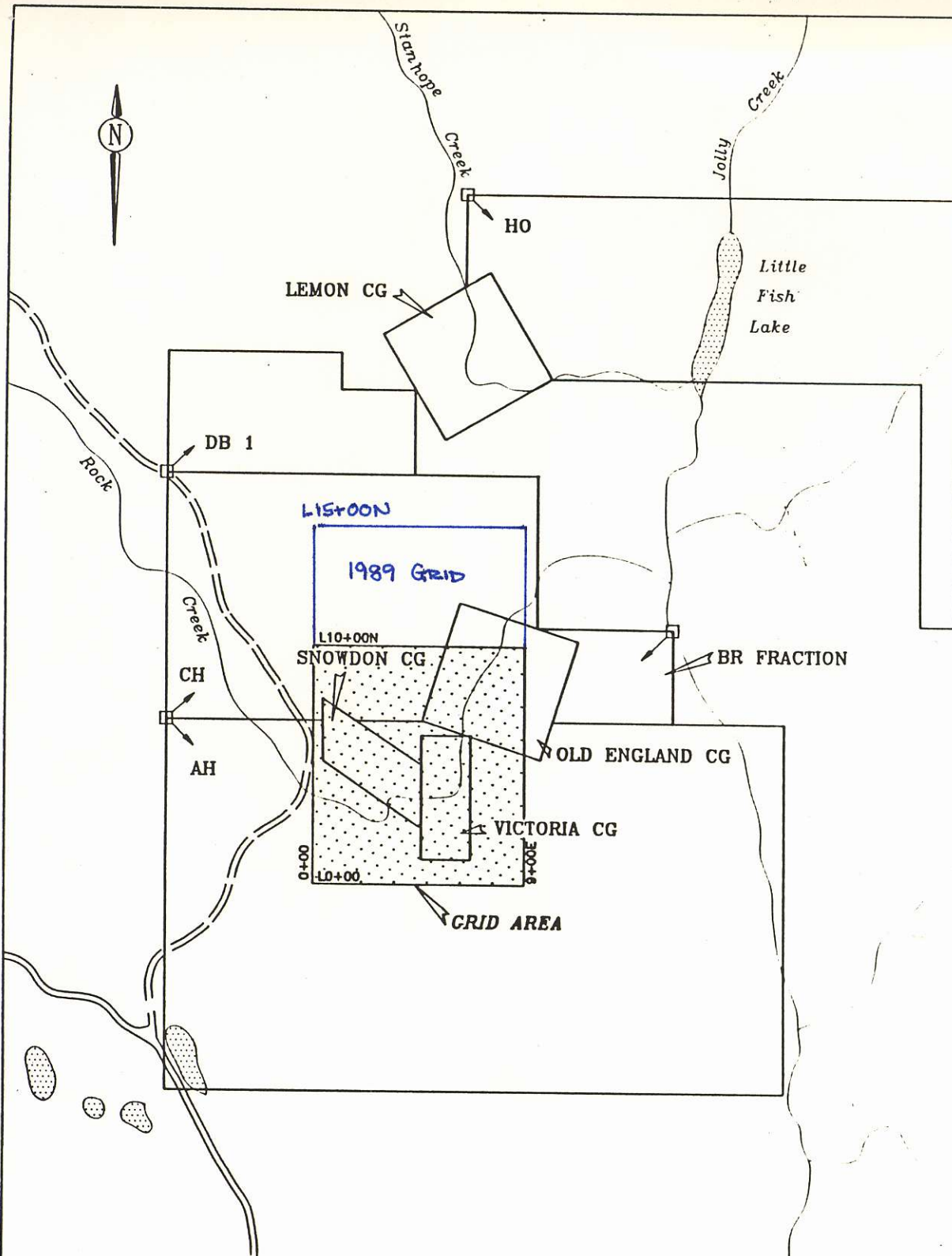
P ₅	L 6+00N 6+70E	Azimuth 275°	Dip -45°	Length 150 m
P ₆	L 3+00N 6+40E	Azimuth 275°	Dip -45°	Length 150 m

These holes will test another large structure with numerous workings along a NE trending fault. Sediments and volcanics overlie foliated diorites along the moderately easterly dipping fault. P₅ will test under the Victoria workings at a structural warp. A shipment of 30 tons from this area assayed 2.15 oz/t Au and 5.2 oz/t Ag. P₆ will test this structure to the south where a VLF and IP chargeability anomaly exists and soil geochem outlined a Cu, Pb, Zn, Ag, Au zone.

P ₇	L 6+00N 1+40E	Azimuth 275°	Dip -45°	Length 100 m
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This hole tests an area of zero outcrop where there is a very strong VLF anomaly as well as a sharp increase in IP resistivity and an IP chargeability high. This zone is likely a sediment-diorite or volcanic contact but is a promising structure and warrants testing.

The remaining 200 metres are contingent on drill results or results in the 1989 grid area.



PROPERTY LOCATION

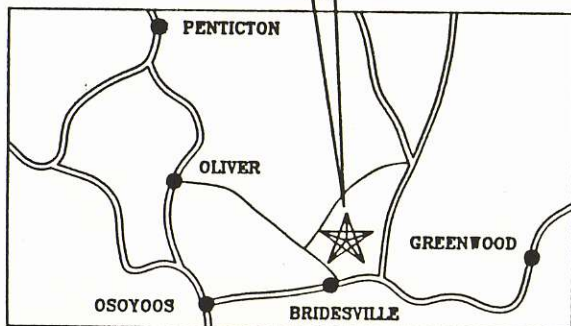
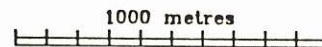
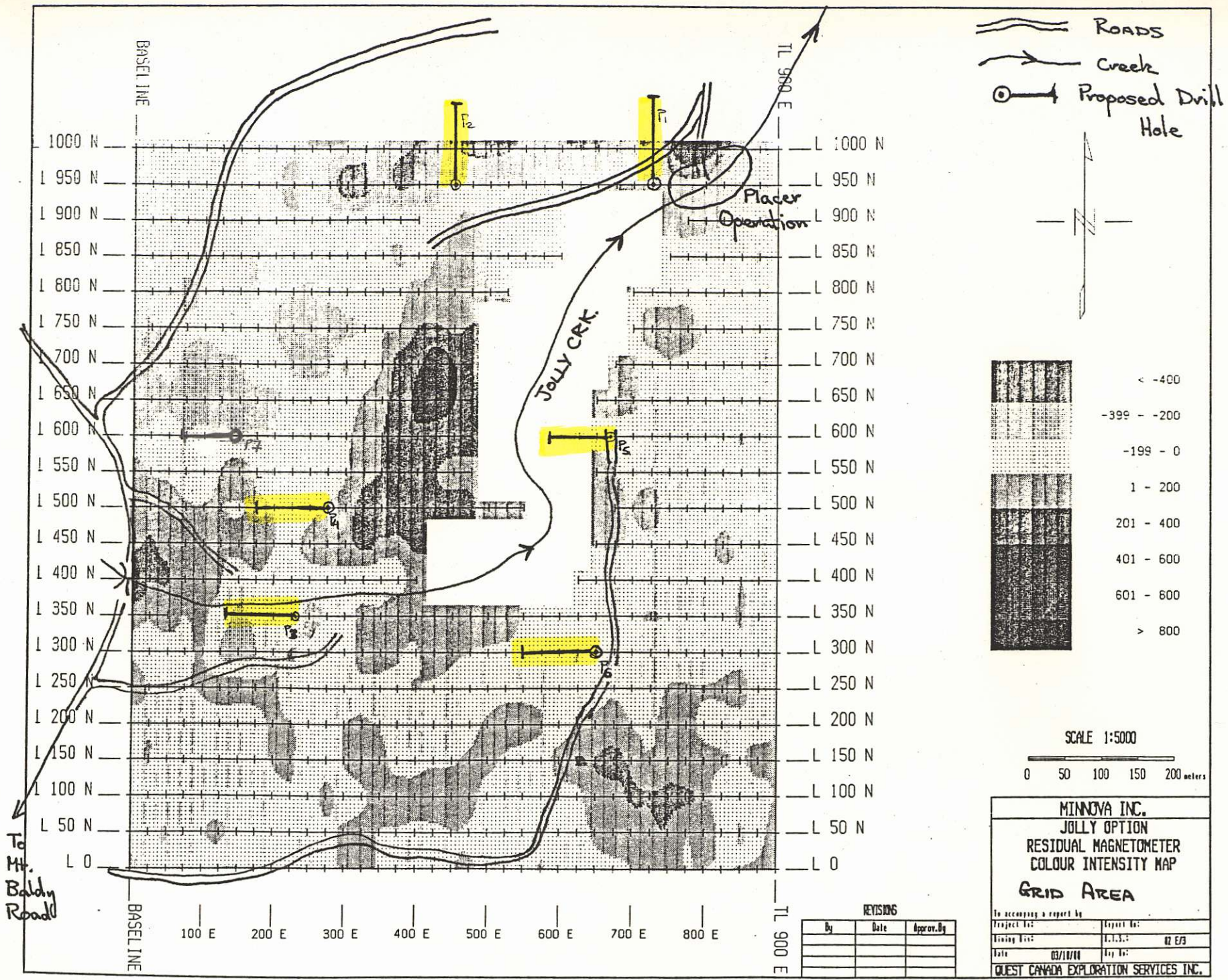


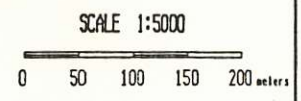
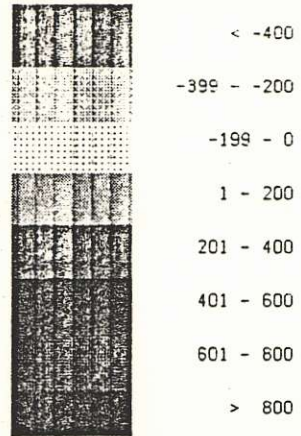
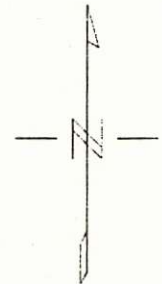
FIGURE 2



**JOLLY OPTION
GRID LOCATION**



ROADS
 Creek
 Proposed Drill Hole



MINNOVA INC.
JOLLY OPTION
RESIDUAL MAGNETOMETER
COLOUR INTENSITY MAP
GRID AREA

In accepting a report by

Project No:	Report No:
Drawing Title:	Scale: 1:5000
Date: 03/10/88	By: JES

QUEST CANADA EXPLORATION SERVICES INC.

REVISIONS		
By	Date	Approv. By