Rainbow - Tam O'Shanter

825633 Deadwood Zone

TO: A. DAVIDSON, I. PIRIE, and D. HEBERLEIN

FROM: S. BLOWER

DATE: October 5, 1992

RE: DEADWOOD ZONE DRILL PROPOSAL - GREENWOOD

INTRODUCTION

A total of 1495 m. of diamond drilling are required to accomplish two tasks at the Deadwood zone. The most important of these is to test the continuity and grade of the three Deadwood structures (called the Wildrose, 19, and Contact) outlined in drilling during the Fall of '91 and Spring of '92. As well, three new soil (gold) geochemistry anomalies should be tested to determine if they represent similar mineralized structures.

A geological summary based on grid mapping conducted by myself during September is provided. This is followed by a short description of the target for each drill hole. A plan map (figure #1) displays the pertinent geological information as well as the diamond drill hole locations. Sections for each of the proposed holes are provided in figure #2.

GEOLOGICAL SUMMARY

Permian Knob Hill Gp. ash tuffs and cherty tuffs are intruded by at least two stages of diorite. Commonly, the diprite is aphanitic and has been mislabelled andesite in the past. The tuffs of the Knob Hill Gp. have locally undergone intense silicification, but this alteration seems to be unrelated to (and older than) known gold mineralization.

The "Contact" and "19" zones roughly coincide with the contacts separating diorite from Knob Hill Gp. tuffs. These may be structures related to the large fault which separates Knob Hill Gp. strata from chert pebble conglomerates and siltstones of the Mt. Atwood Gp.. This fault is occupied by the Wildrose vein - a long and high grade zone of mineralization that is often obscured by overburden but displays a strong soil gold anomaly.

On the western end of the grid, rocks of both the Knob Hill and Mt. Atwood Groups are in fault contact with Tertiary Penticton Gp. strata represented here by Marron Fm. phonolitic volcanics and Kettle River Fm. sandstones. The faults are graben boundaries and are commonly exploited by quartz veins that are locally mineralized (ie: the Bengal vein).

TARGET DESCRIPTIONS

The proposed diamond drill holes will test the following targets (see figure #1 for hole locations):

- A. The Wildrose structure 150 m. along strike to the east of the intersection obtained in hole 92-30.
- B. The Wildrose structure at its intersection with the projections of the Contact and 19 zones. This target coincides with a strong and wide soil geochemistry anomaly.
- C. The "Contact" and "19" zones between previous intersections and the Wildrose zone at depth.
- D. The Wildrose zone directly beneath (40 vertical meters) the intersection in hole 92-28. This hole will confirm the orientation of the structure and will should be drilled early in the program.
- E. The Contact zone projected to the west beneath soil geochemical anomalies.
- F. The Wildrose zone above the intersection in hole 91-20A. It should be noted that hole 91-20A did not test the main Wildrose structure because it did not intersect Mt. Atwood Gp. rocks.
- G. The Wildrose structure along strike to the west of previous drilling.
- J. The Wildrose structure between holes 92-28 and 92-B (proposed).
- K. Soil gold geochemical anomaly.
- L. Soil gold geochemical anomaly.
- M. Soil gold geochemical anomaly.

TABLE #1 Proposed Diamond Drill Holes

| DDH# | TARGET | LENGTH (M) | AZ | DIP | NORTH | EAST | CLAIM | PRIORITY |
|------|---------------|------------|-----|-----|--------|---------|----------|----------|
| A | WILDROSE | 71 | 220 | -45 | 0+10 N | 2+50 W | WILDROSE | 1 |
| В | CONTACT,WR | 127 | 220 | -45 | 0+30 N | 4+95 W | TAM | 1 |
| С | CONTACT,WR,19 | 290 | 220 | -45 | 1+80 N | 6+10 W | TAM | 1 |
| D | WILDROSE | 125 | 230 | -66 | 0+20 S | 7+50 W | ТАМ | 1 |
| E | CONTACT | 212 | 240 | -45 | 3+20 N | 8+45 W | TAM | 1 |
| F | WILDROSE | 71 | 220 | -45 | 0+70 S | 9+55 W | TAM | 1 |
| G | WILDROSE | 88 | 220 | -45 | 0+95 S | 11+00 W | ТАМ | 1 |
| J | WILDROSE | 71 | 220 | -45 | 0+30 S | 6+30 W | ТАМ | 1 |
| к | SOIL ANOM. | , 181 | 220 | -45 | 2+85 N | 5+40 W | ТАМ | 2 |
| L | SOIL ANOM. | 130 | 242 | -45 | 1+80 N | 1+80 W | WILDROSE | 2 |
| М | SOIL ANOM. | 127 | 220 | -45 | 2+75 N | 0+35 W | WILDROSE | 2 |
| | TOTAL: | 1493 | | | | | | |

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TO: D. HEBERLEIN FROM: S. BLOWER

DATE: OCTOBER 13, 1992

RE: MODIFICATIONS TO THE DEADWOOD ZONE DRILLING PROPOSAL

INTRODUCTION

A few changes have been made to the drilling proposal following the suggestions made by yourself and Alex. A sketch plan of the changes is provided, along with a revised table of drill hole parameters.

HOLE E

For the sake of consistency and section construction, hole E has been moved to line 8 W and the azimuth changed to 220 deg..

HOLE C

This hole has been divided into two separate holes. Hole C will now test the "Contact" zone only. Hole H has been added to the proposal and will test the "19" and "Wildrose" structures. The division of hole C into these two parts allows all three structures to be tested at optimal locations using section-parallel azimuths of 220 deg..

ORDER OF DRILLING

In general, the holes furthest from the water supply (furthest to the west) will be drilled first. The only exception to this is hole D which will be drilled first and will be collared on the same site as 92-28. This will confirm the orientation of the Wildrose structure and any necessary adjustments to the other holes can then be made.

The order will be: D, Θ ,F,E,K,C,H,J,B,A,L,M.

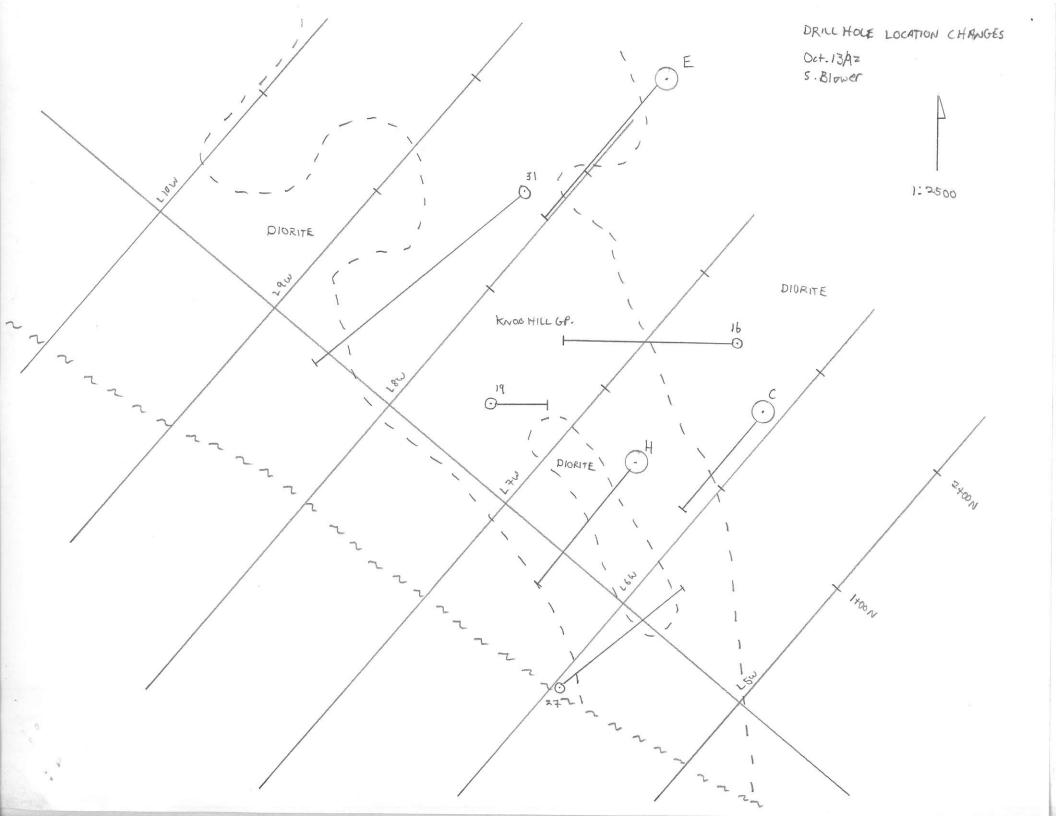


TABLE #1 PROPOSED DIAMOND DRILL HOLES

| DDH # | - 1 | TARGET | LENGT! | (M) | ! | AZ | 1 | DIP | 1 1 | NORT | H | 10 to | EAST | 1 1 2 | CLAIM | 1 1 | PRIORITY |
|----------|----------------------------------------------------|-------------|--------|------|-------------|-----|--------|-----|-------|------|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------|----------|-------|----------|
| А | 20 10 20 10 20 20 20 20 20 20 20 20 20 20 20 20 20 | WILDROSE | | 71 | 1 | 220 | 1 1 1 | -45 | 1 1 | 0+10 | N | 1 | 2+50 W | 1 1 | WILDROSE | 1 | 1 |
| В | : | CONTACT, WR | | 127 | 1 | 220 | 1 | -45 | 1 | 0+30 | N | 1 1 | 4+95 W | 1 1 | TAM | 1 1 1 | 1 |
| C | 1 | CONTACT | | 120 | 1 | 220 | 1 | -45 | 1 1 | 1+60 | M | 1 | 5+10 W | 1 | TAM | 1 | 1 |
| Tm92-32] | ! | WILDROSE | 427 | 130 | 1 | 230 | 1 | -68 | 1 | 0+20 | CO | | 7+50 W | 1 | TAM | 1 | 1 |
| Ε | 1 | CONTACT | | 170 | 1 | 220 | 1 | -45 | 1 | 2+80 | N | 1 11 1 | 8+00 W | 1 1 | TAM | | book |
| F | 11 | WILDROSE | | 71 | 1 | 220 | 1 | -45 | 1 | 0+70 | S | 1 | 9+67 W | 1 1 | TAM | 1 1 | 1 |
| G | 1 | WILDROSE | | 88 | 1 | 220 | 1 1 | -45 | 1 | 0+95 | S | 1 | 11+00 W | | TAM | 1 1 | 1 |
| Н | 1 | 19,WR | | 150 | 1 | 220 | 1 | -45 | 1 | 0+75 | N | 1 | 6+50 W | 1 1 | TAM | *** | 1 |
| J | 1 | WILDROSE | | 71 | 1 1 | 220 | 1 | -45 | 1 | 0+30 | 5 | 1 1 | 6+30 W | 1 1 | TAM | 1 1 | 1 |
| K | 1 | SOIL ANOM. | | 181 | 10 10 10 10 | 220 | 1 1 | -45 | 1 1 | 2+85 | N | 1 1 | 5+40 W | 1 1 | TAM | 1 | 2 |
| L | 1 | SOIL ANOM. | | 130 | 1 | 242 | 1 | -45 | 1 1 1 | 1+80 | 100 | 1 | 1+80 W | 1 1 | WILDROSE | 1 | 2 |
| М | 1 | SOIL ANOM. | | 127 | 1 | 220 | j j | -45 | 1 2 | 2+75 | M | 1 | 0+35 W | 1 | WILDROSE | 1 | 2 |
| | | TOTAL. | | 1497 | | | | | | | | | | | | | |

TOTAL: 1436

TABLE #1 PROPOSED DIAMOND DRILL HOLES

| DDH # | TARGET | LENGT | H (M) | 20.00 | AZ | 1 1 | DIP | 1 1 | NORTH : | 1 | EAST | CLAIM | 1 | PRIGRITY |
|-------------------------|-------------|-------|-------|-------|-----|-----|-----|---------|-----------------|-------|------------------|-----------------|------------|----------|
| A | WILDROSE | ! | 71 | 3 3 | 220 | 1 1 | -45 | 1 1 1 | 0+10 N | 1 1 1 | 2+50 W | : : WILDROSE | 1 | 1 |
| TM92- 09 (B) | CONTACT, WR | 1 | 127 | 1 1 | 220 | 1 1 | -45 | 1 | 0+30 N | - | 4÷95 W | : : TAM | 1 1 1 | 1 |
| TM92-3 3- (C) | CONTACT | ! | 120 | 1 | 220 | 1 | -45 | 1 | 1+60 N | 1 | 6720 W | TAM | 1 | 1 |
| TM92-34 (D) | WILDROSE | 1 427 | 130 | 1 | 230 | ! | -68 | 1 | 0+20 S | | 7+50 W | TAM | | 1 |
| TM92-3 5 (E) | CONTACT | 1 | 170 | 1 | 220 | 1 | -45 | 1 | 2+80 N 2+90N | | 8+00 W 7+90 | TAM | 1 | 1 |
| TM92-33 (F) | WILDROSE | 233 | 71 | 1 1 | 220 | 1 | -45 | 1 | 0+70 S | 1 1 | 9+67 W | : TAM | | 1 |
| TM92-34 (G) | WILDROSE | 1 1 1 | 88 | 1 | 220 | 1 | -45 | 1 1 | 0+95 S | 1 1 | 11+00 W | I TAM | 1 1 | 1 |
| TM92-3 8 (H) | 19,WR | 1 | 170 | 1 1 | 220 | 3 | -45 | | 0+75 N | 1 | 5+50 W 6+60 W | TAM | 1 10 15 16 | 1 |
| TM92-38 (J) | WILDROSE | 1 | 71 | 1 | 220 | 1 | -45 | 1 1 | 0+30 S | 1 | 6+50 W | TAM | 9.1 | 1 |
| TM92-3 5 (K) | SOIL ANOM. | 1 | 181 | 1 | 220 | 1 | -45 | 1 | 2+85 N | 1 | 5+40 W | TAM | 2 2 | 2 |
| L | SOIL ANOM. | 1 | 130 | 3 3 | 242 | 1 1 | -45 | 1 1 | 1+80 N | 9 1 | 1+80 W | WILDROSE | 1 | 2 |
| М | SOIL ANOM. | 1 | 127 | 1 | 220 | 1 | -45 | 200 000 | 2+75 N | 1 | 0+35 W | : ! WILDROSE | 1 | 2 |

TOTAL: 1456

TO: D. HEBERLEIN and I. PIRIE

FROM: S. BLOWER

DATE: OCTOBER 19, 1992

RE: GREENWOOD DIAMOND DRILLING UPDATE

INTRODUCTION

To keep you informed on the drilling to date at the Deadwood Zone, a summary of the footage drilled is provided and is followed by a brief discussion of the results in each hole. A cross-section sketch for each hole is also attached.

SUMMARY

Holes Complete: TM92-32 (D) 150.0 m TM92-33 (F) 71.6 m

Hole Currently Being Drilled: TM92-34 (G)

TM92-32

Hole TM92-32 was designed to test the down-dip extension of the Wildrose structure beneath the intersection obtained in TM92-28.

While TM92-32 did penetrate the Wildrose fault structure, it was poorly mineralized. No quartz vein is present on the fault at this location. However, the diorite, serpentinite and tuff immediately adjacent to (and in the hanging wall of) the fault are intensely sheared and locally are the hosts for quartz stringer zones containing 2% pyrite and trace arsenopyrite.

It appears that the mineralized quartz vein in TM92-28 pinches out before (or "horse tails" at) this location.

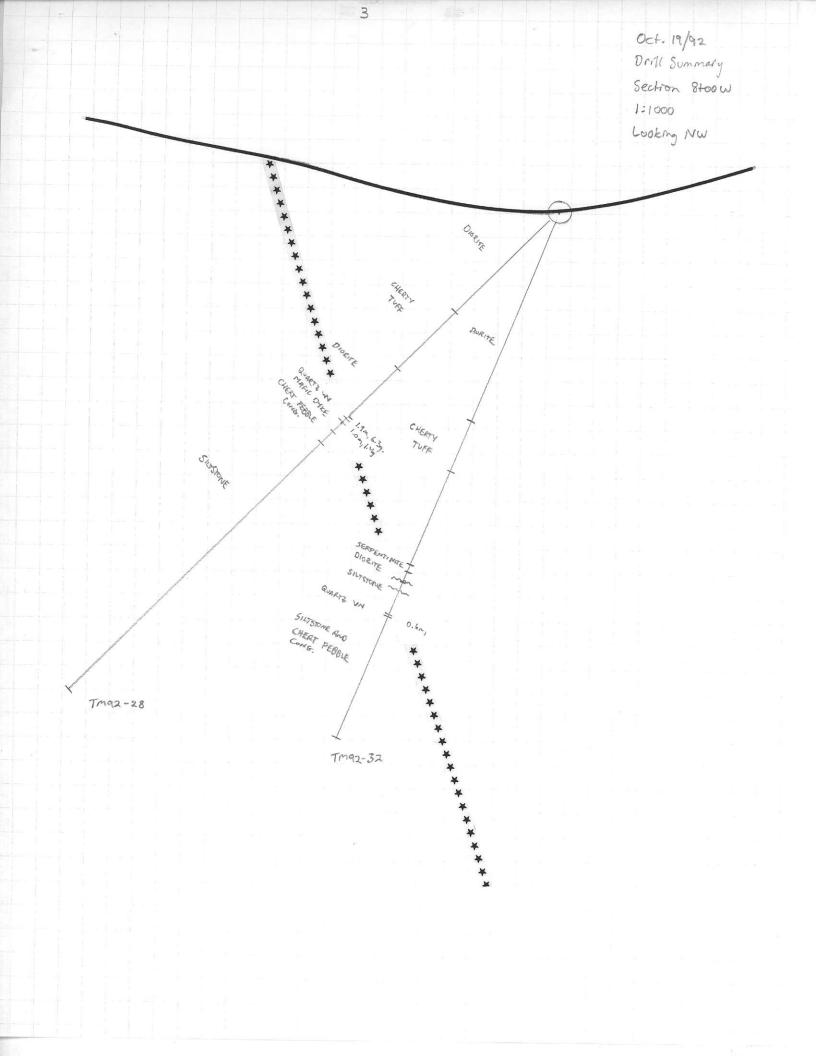
TM92-33

Hole TM92-33 was designed to test the up-dip extension of the Wildrose structure above the intersection obtained in TM91-20A.

TM92-33 intersected four mineralized quartz veins in the immediate hanging wall of the Wildrose fault.

- The first is 2.0 m wide and contains several stages of quartz containing 0.5% pyrite (and one 6 cm band of massive py) and common fuchsite.
- 2) Following 1.6 m of sheared diorite is a second quartz vein that is 1.8 m wide. This vein contains 5% pyrite and 2% chalcopyrite throughout.
- 3) A 0.3 m wide vein contains 0.5% pyrite.
- 4) Finally a 0.5 m wide quartz vein contains 5% pyrite and traces of chalcopyrite.

These intersections correlate well with the intersections in hole TM91-20A.



4 Oct. 19/92 DrAl Summary Section 10toow. 1-1000 Looking NW TM 92-33 DIRRE The state of the s 14822 200 . 5 3 201/6 20 1/6 *

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Dioring TM91-20A orgen in = DIORIVE Cupare in SILTSTONE 3.3m, 7.3g.

TO: D. HEBERLEIN and I. PIRIE

FROM: S. BLOWER

DATE: OCTOBER 26, 1992

RE: GREENWOOD DIAMOND DRILLING UPDATE

INTRODUCTION

To keep you informed on the drilling to date at the Deadwood Zone, a summary of the footage drilled is provided and is followed by a brief discussion of the results from the past week. Cross-section sketches of the latest holes are attached.

SUMMARY

TM92-32 (D) 150.0 m
TM92-33 (F) 71.6 m
TM92-34 (G) 71.0 m
TM92-35 (E) 117.0 m
TM92-36 (C) 126.8 m
TM92-37 (H) 162.5 m
TM92-38 (J) 90.2 m
788.8 m

Hole Currently Being Drilled: TM92-39 (K)

TM92 - 34

Hole TM92-34 was designed to test the western strike extension of the Wildrose structure.

The structure was intersected at the projected location and is marked by 15 meters of sheared ultramafics. The Wildrose vein is only 10 cm. wide at this location and occurs at the contact between ultramafics and footwall sediments. The vein contains 2% pyrite and 2% chalcopyrite.

TM92-35

This hole was designed to complete a fence across the northern strike extension of the "Contact" zone - an altered and quartz stringered structural contact marked by discontinuous bodies of ultramafics.

The structure was not intersected, although several intensely silicified and/or argillized intervals of diorite were encountered.

TM92-36

Hole TM92-36 tested the "Contact" zone to the south of hole TM91-16.

The contact was intersected at the projected location. There are, however, no ultramafics present. Due to the inconspicuous nature of past "Contact" zone intersections, an estimate of the intensity of mineralization in this hole would be misleading.

TM92-37

This hole was designed to test both the "19" and "Wildrose" structures between previous intersections.

Several alteration zones were encountered in the diorites which may be the "19" zone.

A 2.4 meter wide quartz vein containing 1% pyrite and trace chalcopyrite was intersected at the "Wildrose" structure. Assays from this intersection are expected to be in the 3-10 gram range.

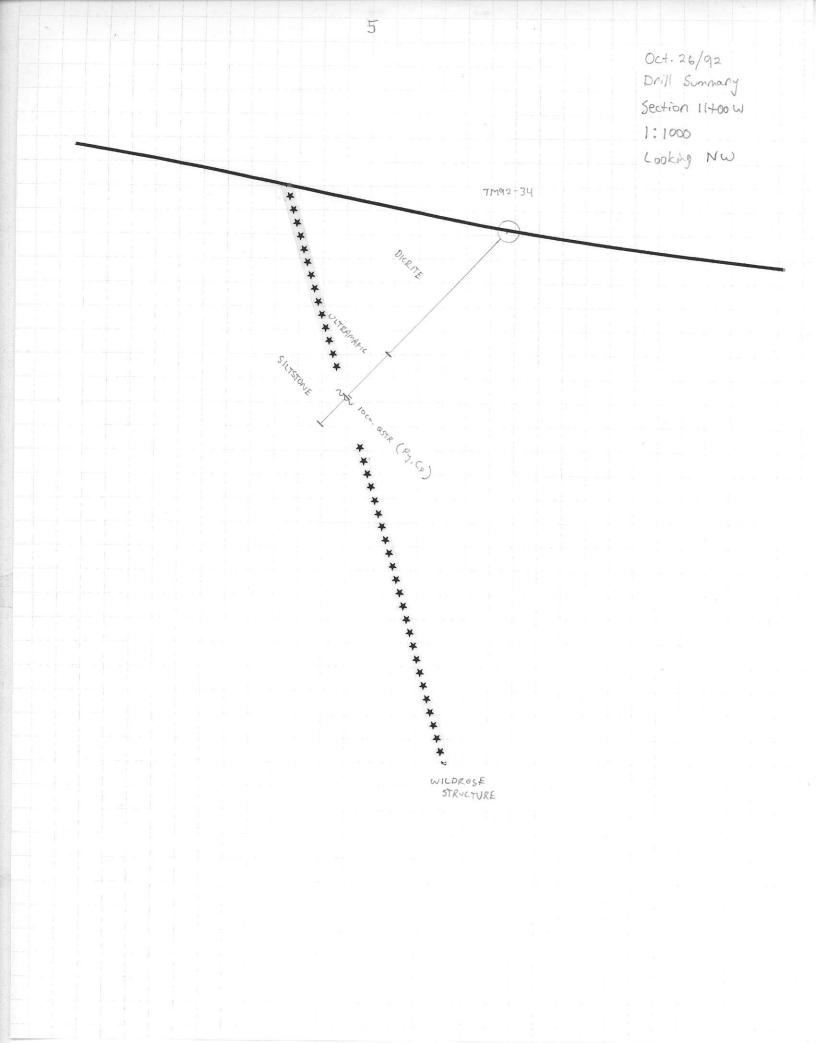
TM92-38

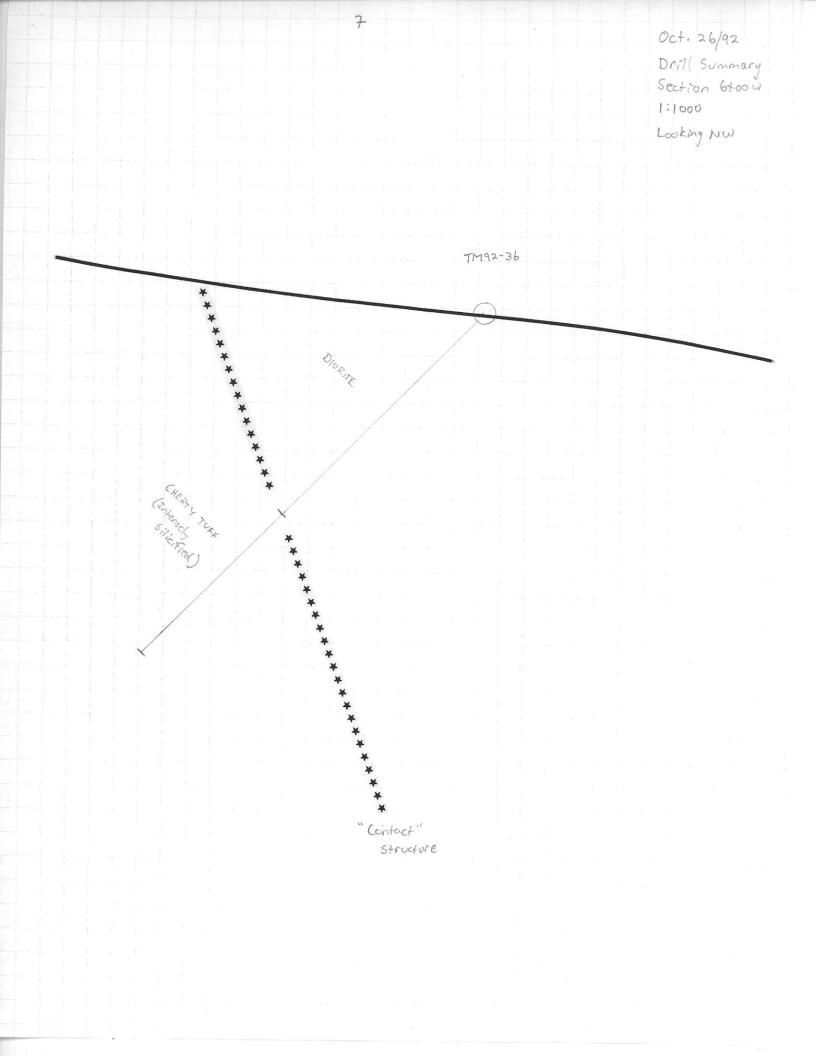
Once again, the "Wildrose" structure was the target of this hole $(up-dip\ of\ hole\ TM92-37)$.

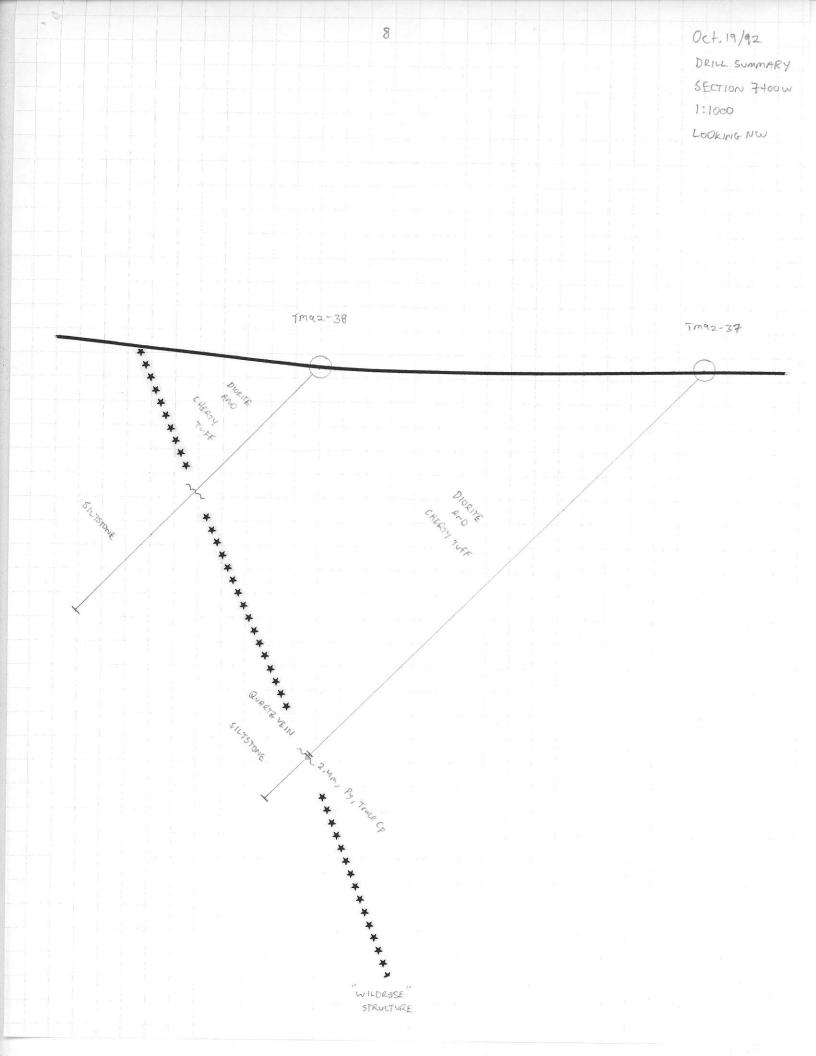
While the structure was intersected at its projected location, there was no vein present. Apparently the vein pinches out above the intersection in TM92-37.

TABLE #1 PROPOSED DIAMOND DRILL HOLES

| DDH # ! | TARGET | LENGTH (M) | FINAL (M) | Market Mile 244 | AZ | 1 1 | DIP | **** | NORTH | 1 1 1 | EAST | 1 1 | CLAIM | PRI | ORITY |
|-------------|-------------|------------|-------------------------------------------|-----------------|-----|-----|-----|-------|--------|-------|--------|-----|----------|-----|------------|
| TM92-39 (B) | CONTACT, WR | 1 127 | 20 CO | 3 3 3 | 220 | 1 1 | -45 | 1 1 1 | 0+30 N | 1 1 | 4+95 W | | TAM | 1 | 1 |
| TM92-36 (C) | CONTACT | 120 | 126.8 | 1 | 220 | 1 1 | -45 | 1 | 1+60 N | 1 | 6+20 W | 1 1 | TAM | 1 | 1 |
| TM92-32 (D) | WILDROSE | 130 | 150.0 | 1 1 | 230 | 1 | -68 | | 0+20 S | 1 1 | 7+50 W | 1 1 | TAM | 1 1 | 1 |
| TM92-35 (E) | CONTACT | 1 116 | 117.0 | 1 1 | 220 | 1 | -45 | 1 1 | 2+90 N | 1 1 | 7+90 W | 1 1 | TAM | 1 | 1 |
| TM92-33 (F) | WILDROSE | 71 | 71.3 | 1 | 220 | 1 1 | -45 | 1 | 0+70 S | 1 1 | 9+67 W | 1 1 | TAM | 1 | A . |
| TM92-34 (G) | WILDROSE | 88 | 71.0 | 1 | 220 | 1 | -45 | 1 1 1 | 0+75 S | 1 1 | 10+80 | 1 | TAM | 1 | 1 |
| TM92-37 (H) | 19,WR | 190 | 162.5 | 1 1 | 220 | 1 | -45 | | 0+75 N | 1 | 6+60 W | 1 | TAM | 1 | 1 |
| TM92-38 (J) | WILDROSE | 71 | 90.2 | 1 1 | 220 | 1 | -45 | 1 1 1 | 0+30 S | 1 1 1 | 6+60 W | 1 | TAM | 1 | Production |
| TM92-40 (K) | SOIL ANOM. | 181 | 1 | 1 1 | 220 | 1 1 | -45 | 1 | 3+00 N | 1 | 5+40 W | 1 | TAM | ! | 2 |
| A | WILDROSE | 71 | ! | 1 | 220 | 1 | -45 | 1 1 | 0+10 N | 1 | 2+50 W | 1 | WILDROSE | 1 | 2 |
| M | SOIL ANOM. | 1 127 | 1 1 1 | 1 | 220 | 1 | -45 | 1 | 2+75 N | 1 | 0+35 W | 1 | WILDROSE | 1 | 2 |
| L | SOIL ANOM. | 1 130 | i | į | 242 | 1 | -45 | | 1+80 N | 1 1 | 1+80 W | 7 | WILDROSE | 1 | 2 |
| | TOTAL: | 1422 | 788.8 | - | | | | | | | | | | | |







TO: D. HEBERLEIN FROM: S. BLOWER

DATE: NOVEMBER 1, 1992

RE: GREENWOOD DIAMOND DRILLING UPDATE

INTRODUCTION

Further to your fax on friday the 30th, here's a summary of the footage drilled to date and a brief discussion of the results from the past week (since the latest update). Cross-section sketches of holes TM92-39 and 40 are attached. The others have not been logged yet.

SUMMARY

Holes Complete: TM92-32 (D) 150.0 m
TM92-33 (F) 71.3 m
TM92-34 (G) 71.0 m
TM92-35 (E) 117.0 m
TM92-36 (C) 126.8 m
TM92-37 (H) 163.7 m
TM92-38 (J) 90.2 m
TM92-39 (K) 190.5 m
TM92-40 (A) 71.9 m
TM92-41 (L) 129.8 m
TM92-42 (M) 128.9 m
TM92-42 (M) 128.9 m
TM92-42 (M) 128.9 m

Hole Currently Being Drilled: TM92-43 (B)

TM92-39

This drill hole was designed to test a diorite/cherty tuff contact as well as a soil gold geochemical anomaly. The cored contact looks to be intrusive in nature and is not a major fault. Never the less, several altered intervals were intersected within both the cherty tuff and diorite and these may be the source of the soil anomaly.

TM92-40

Drill hole TM92-40 is the furthest yet drilled to the southeast on the Wildrose structure. It is located 220 meters north of the trenched exposure of the vein (on the Wildrose claim).

A 1 meter quartz vein was intersected at the predicted location containing minor pyrite and trace chalcopyrite. The quartz should yield gold values similar to those obtained from the Wildrose structure to date.

TM92-41 & 42

Both of these drill holes were designed to test soil geochemistry anomalies in the mixed diorite and cherty tuff package on the Wildrose claim.

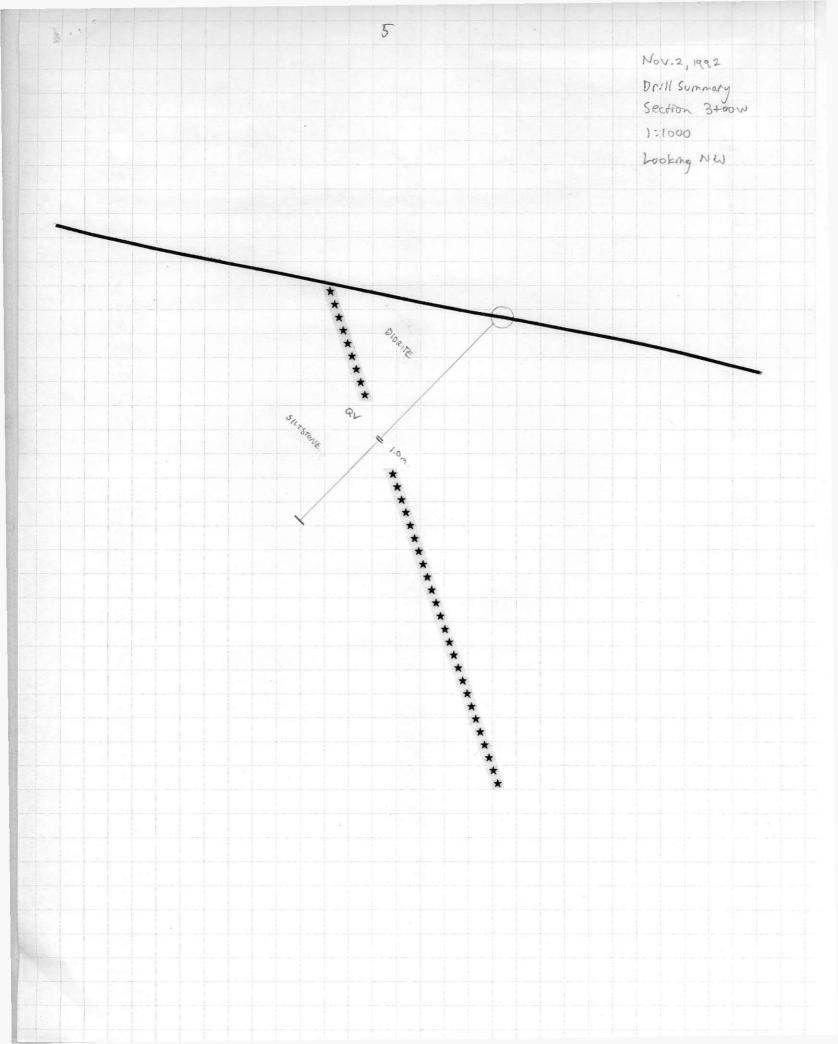
Several altered intervals were intersected and they may be the source of the soil gold anomalies.

TABLE #1 PROPOSED DIAMOND DRILL HOLES

| DDH # | TARGET | LENGTH (M) | FINAL (M) | AZ | DI | P | NORTH | EAST | CLAIM |
|-------------|-----------------|------------|-------------------|------------|----------------------------|-------|---------------|------------------|----------------|
| TM92-32 (D) | WILDROSE | 130 | 150.0 | 230 | ! -6 | 8 | 0+20 S | : : 7+50 W | TAM |
| TM92-33 (F) | WILDROSE | 71 | 71.3 | 220 | 1 -4 | 5 | 0+70 S | 1 1 9+67 W | TAM |
| TM92-34 (G) | WILDROSE | 88 | 1 71.0 | 220 | i i -4 | 5 | : 0+75 S | : : 10÷80 W : | TAM |
| TM92-35 (E) | CONTACT | 116 | 117.0 | l 1 220 | 1 -4 | 5 | : 2+90 N | : : 7+90 W | TAM |
| TM92-36 (C) | : CONTACT | 120 | 126.8 | l 1 220 | 1 1 1 1 1 1 | 5 | ! ! 1+60 N | : 1 6+20 W | TAM |
| TM92-37 (H) | ! ! 19,WR | 190 | 163.7 | ! ! 220 | ; -4 | 5 | ! ! 0+75 N | 1 1 5+60 W | TAM |
| TM92-38 (J) | WILDROSE | 71 | 90.2 | ! ! 220 | -4 | CA | : 1 0+30 S | : : 6+60 W | TAM |
| TM92-39 (K) | SOIL ANOM. | 181 | 190.5 | l l 220 | -4 | L'A | 3+00 N | : : 5+40 W | TAM |
| TM92-40 (A) | : ! WILDROSE | 71 | ! 71.9 | ! ! 220 | 1 -4 | 5 | ! ! 0+25 N | ! 1 2+50 W | WILDROSE |
| TM92-41 (L) | SOIL ANOM. | 130 | 129.8 | ! ! 220 | 1 -4 | 5 | ! ! 1+70 N | 1+75 W | : WILDROSE |
| TM92-42 (M) | SOIL ANOM. | 127 | 128.9 | ! ! 220 | -4 | C.71 | ! ! 2+75 N | 1 1 0+40 W | : WILDROSE |
| TM92-43 (B) | CONTACT, WR | 1 127 | Mile and the Fig. | ! ! 220 | 1 -4 | 15 | : : 0+30 N | ! ! 4+95 W | TAM |
| | | 1400 | | | | | | | |

TOTAL: 1422 1311.1

Nov. 2, 1992 Drill Summary Section 5too W 1:1000 Looking NW SOIL ANOMALY TM92-39 non



TO: D. HEBERLEIN and I. PIRIE

FROM: S. BLOWER

DATE: NOVEMBER 25, 1992

RE: RESULTS OF THE DEADWOOD ZONE DRILLING PROGRAM

INTRODUCTION

The Fall '92 diamond drilling program at the Deadwood zone has been completed and the results for each hole are tabulated below following a brief summary. A geological interpretation based on the latest drill data is given and is followed by recommendations for further work at the Deadwood zone.

SUMMARY

A total of 1420.8 m of NQ core was drilled at the Deadwood zone during October and November of 1992.

Highlights include 4.1 m of 3.16 g/tonne Au on the Wildrose structure and 43.1 m of 451 ppb Au on the "19" zone.

The Wildrose and Contact zones deserve no further attention due to a lack of grade, width, continuity and potential along strike.

The 19 zone, however, is a large, relatively flat lying body of low grade (approx. $0.5~\rm g/tonne$) mineralization that remains open at depth and along strike to the west. Current dimensions of the zone are roughly 40m thick x 80m wide x 80 m long. Two additional drill holes would determine whether the zone has the potential to host a large tonnage deposit.

RESULTS

| HOLE | TARGET | FROM (M) | TO (M) | WIDTH (M) | AU (PPB) | DESCRIPTION |
|---------|--------------------|----------|--------|-----------|----------|--------------------------------------------------------------------|
| TM92-32 | WILDROSE | 105.1 | 106.0 | 0.9 | 3360 | WILDROSE STRUCTURE - MAJOR FAULT SEPARATING A SLIVER OF DIORITE |
| | | | | | | FROM MT. ATWOOD GROUP SEDIMENTS. |
| TM92-33 | WILDROSE | 37.9 | 40.0 | 2.1 | 2770 | DIORITE IN HW OF QV. |
| | | 40.0 | 42.0 | 2.0 | 3580 | WILDROSE STRUCTURE - WITH 0.5% PY. |
| | | 43.6 | 45.4 | 1.8 | 429 | QV WITH 5% PY, 2% CP. |
| | | 48.1 | 48.4 | 0.3 | 987 | QV WITH 0.5% PY. |
| | | 48.8 | 49.3 | 0.5 | 300 | QV WITH 5% PY, TRACE CP |
| TM92-34 | WILDROSE | 59.0 | 61.2 | 2.2 | 128 | WILDROSE STRUCTURE - MAJOR FAULT WITH A 6 CM QUARTZ STRINGER |
| TM92-35 | CONTACT | | | | | NO SIGNIFICANT RESULTS |
| TM92-36 | CONTACT | 19.5 | 47.5 | 28.0 | 272 | CONTACT ZONE - DIORITE |
| TM92-37 | 19 & WILDROSE | 101.5 | 144.6 | 43.1 | 451 | 19 ZONE - DIORITE IN THE HANGINGWALL OF THE WILDROSE STRUCTURE |
| | | 144.6 | 147.2 | 2.6 | 181 | WILDROSE STRUCTURE - QUARTZ VEIN |
| TM92-38 | WILDROSE | 47.9 | 56.6 | 8.9 | 304 | DIORITE IN HANGINGWALL OF WILDROSE STRUCTURE |
| TM92-39 | SOIL AU ANOMALY | 187.8 | 190.5 | 2.7 | 538 | DIORITE AT END OF HOLE VERTICALLY BENEATH THE ANOMALY |
| TM92-40 | LIVI DDOCE | 44.0 | 45.3 | 1.3 | 408 | STRINGER ZONE IN HANGINGWALL |
| 1M92-40 | WILDROSE | 44.0 | 45.3 | 1.3 | 400 | OF WILDROSE STRUCTURE |
| | | 45.3 | 46.1 | 0.8 | 3140 | WILDROSE STRUCTURE - QV WITH 10% PY. |
| TM92-41 | SOIL AU ANOMALY | 91.6 | 92.2 | 0.6 | 3050 | QV ? WITH SUBMASSIVE PO ? AND PY. |
| | | 119.9 | 121.2 | 1.3 | 13970 | QV AT A WILDROSE-TYPE |
| TM92-42 | SOIL AU ANOMALY | 52.3 | 55.7 | 3.4 | 1680 | CHERTY TUFF IN THE HANGINGWALL OF A TERTIARY ? DYKE. |
| | | 92.0 | 95.0 | 3.0 | 920 | CHERTY TUFF |
| TM92-43 | WILDROSE | 2.7 | 12.5 | 9.8 | 512 | DIORITE |
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GEOLOGICAL INTERPRETATION

Three distinct zones of mineralization are still evident at the Deadwood area - the Wildrose, 19 and Contact zones.

The Wildrose structure is a major fault greater than 1300 m. in length and oriented at 300/70 E. It separates Knob Hill Gp. chert and cherty tuff from younger Mt. Atwood Group sediments in the footwall and is therefore a thrust. Ubiquitous lenses of variably altered serpentinite that are localized along the fault further substantiate a thrust hypothesis. The fault is also the host to a discontinuous quartz vein that contains sporadic gold values associated with pyrite, chalcopyrite and arsenopyrite. The best result to date is 3.3 m. of 7.3 g/t Au in hole TM92-20A. Stylolites in the vein indicate that this mineralization is not genetically related to the opening of the nearby Tertiary grabens and is in fact much older.

The contact zone is subparallel to the Wildrose structure and is probably related to it. It consists of a zone up to 28 m. wide of low grade gold values occuring within diorite immediately above a structural contact with Knob Hill Gp. cherty tuffs. The contact is occasionally marked by slivers of serpentinite which may or may not be mineralized. The best result to date is 28 m. of 272 ppb in hole TM92-36.

The 19 zone is hosted by diorite in the immediate hangingwall of the Wildrose structure. It's orientation is still uncertain, but it appears to be a flat lying zone greater than 70 m. thick. The best result to date is 77.5 m. of 820 ppb in hole TM92-27. The position of this zone in the HW of the Wildrose structure suggests a genetic relationship and it may be a product of hydrothermal fluids leaking up into the diorite from the fault. The zone is also positioned beneath intensely silicified Knob Hill Gp. sediments which may be a distal alteration product of the mineralizing solutions.

RECOMMENDATIONS

Wildrose

The Wildrose structure is not worthy of further attention due to its discontinuous nature, low grade and narrow width. The structure is, however, open at depth and along strike to the east. In fact, the structure can probably be traced for several kilometers east to the Skomac Mine. There, a major thrust fault separates footwall Mt. Atwood Gp. sediments from diorites in the hangingwall. The thrust here is exploited by a discontinuous quartz vein containing subeconomic base metal and silver mineralization. At the Deadwood zone, the Wildrose structure is cut off to the west (two hundred meters west of hole TM92-34) by a major Tertiary graben bounding fault.

Contact

The contact zone is also not worthy of further exploration due to the low grade of intersections to date. While it is open at depth, the structure is cut off by the Wildrose fault to the east and by a fence of barren drill holes to the west (holes TM91-17, TM92-35 and TM92-31).

19

The 19 zone remains a promising, potentially bulk mineable target. To the east the zone probably pinches out between the Wildrose and Contact zone faults. As well, structural complications that have offset the Wildrose fault in the vicinity of hole TM92-41 have probably displaced the zone. However, the zone remains open at depth and along strike to the west.

Two holes are required to test the presence of the zone at depth and along strike to the west. The first (230 m) would be collared between holes TM92-37 (43.1 m of 451 ppb) and TM92-27 (77.5 m of 825 ppb).

The second hole (230 m) would test the western strike extension and would be collared 100 m west of TM92-37.

Additional holes into the 19 zone would be contingent upon successful intersections in the above holes.

Other

Three other geological/geochemical targets in the vicinity of the Deadwood zone require diamond drilling. They are - in order of importance,

- i) other intensely silicified bodies of Knob Hill Gp. chert,
- ii) large intense soil geochemical anomalies parallel to and near the Wildrose fault within the Mt. Atwood Gp. sediments, and
- iii) Kettle River Fm. sediments in the hanging wall of the Bengal fault.

All of these targets are possible hosts for Minnova-type large tonnage, bulk mineable gold deposits.