

Property Submission - Geofine
Stewart area Bc

825678
104 A/11

GEOFINE EXPLORATION CONSULTANTS LTD.

"ORE TARGETS AND EXPLORATION MANAGEMENT ALTERNATIVES"

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GEOFINE MEMORANDUM/FACSIMILE TRANSMISSION COVER SHEET

Date: SEPT. 17, 1995 **Number of Pages:** 14

TO:

NAME: IAN MORRISON; BELLA BOGMAR
COMPANY: INMET MINING CORPORATION
TELEPHONE: 604-681-3771 416-361-6400
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FROM:

NAME: DAVID MOLLOY
COMPANY: GEOFINE EXPLORATION CONSULTANTS LTD.
TELEPHONE: 905-477-7072
FAX: 905-946-0366

COMMENTS:

Dear Sirs:

Re. Stewart Property Submittal, Stewart Gold Camp, Northwestern British Columbia:

As per our telephone conversation today with Bella, we have enclosed a Summary and exploration proposal on the Stewart Property that is located in the Stewart Gold Camp of Northwestern B.C.

The Stewart Property offers one of the best opportunities for a major gold discovery that Geofine has ever been aware of. Barrick (through Geofund) and Cominco are both involved; however, the participation opportunity is afforded since Barrick is concentrating on global targets and Cominco has a mandate to explore only for zinc in Canada.

An incoming party would supply funds for diamond drilling that could yield an almost immediate discovery. The party can initially earn a 100% interest. Cominco and Barrick have one time back-ins to 35 and 32.5%, respectively. However, for a larger interest, the incoming party now has the opportunity of negotiating with Barrick which has indicated its willingness to option part or all of its interest.

Geofine would propose carrying out the Phase 2 program on the Stewart Property based on our successful discovery record that

Possible to get Majority Interest - 65%

includes Barrick's Golden Patricia Mine in the Pickle Lake area; and, Barrick's Red Mountain and the Northair Group's Willoughby deposits located in the Stewart Gold Camp of Northwestern British Columbia.

All our successes have been made via grassroots targets that were researched, acquired and advanced to the diamond drill stage: Barrick's Golden Patricia orebody and Red Mountain deposit were discovered in the first drill hole on each target.

Thank you for your interest in this discovery opportunity. The detailed data base is available for scrutiny via the execution of a confidentiality agreement.

Please let us know your thoughts.

Sincerely,

GEOFINE EXPLORATION CONSULTANTS LTD.


David E. Molloy
President

STEWART PROPERTY:

The extensive exploration experience of Geofine's staff in the Stewart Gold Camp of Northwestern British Columbia includes the discovery of Barrick Gold's Red Mountain deposit and a number of mineralized zones on the Willoughby Property that is currently being explored by the Northair Group. The original Stewart property was acquired by Geofine and optioned to Barrick Gold in 1993 because of similar, positive attributes and is deemed to offer numerous, high priority drill targets. These targets have excellent rationale (coincident, strong soil geochemical and IP anomalies associated with prominent colour anomalies and favourable alteration in Hazelton Group rocks) and have potential for yielding a major gold deposit.

The Stewart Property is located in the Skeena Mining Division on the east side of the Stewart Gold Camp in Northwestern British Columbia, about 80 km north-northeast of Stewart and just 2 km east of the Cassiar Highway (Figure 1). The 30 mining claims comprise 568 claim units that cover about 142 square kilometres (Figure 2, Table 1). Two of the mining claims are owned by Cominco Ltd., and Barrick Gold Corp. holds an option on the other 28 mining claims from Geofund. Geofund is a small group of geologists and investors for which Geofine is the nominee and business agent. The opportune time for third party participation is afforded since Cominco presently does not have a mandate to explore for gold in Canada and Barrick is currently focusing its exploration activities offshore.

An incoming party would have the opportunity of initially earning a 100% interest in the Property by funding exploration expenditures of \$2.5 M (including \$500,000 by August 31, 1996) and option payments of \$200,000 over 4 years. Cominco and Barrick would have back-ins to 35% and operatorship, and 32.5%, respectively, by funding a feasibility study. If Cominco and Barrick decide not to participate, they would retain a 2% NSR in the Cominco lands and a 2% NSR in the Geofund lands, respectively. If only one of Cominco or Barrick decide to participate, the non-participant would retain a 2% NSR royalty interest in the Cominco or Geofund lands, respectively. Geofund would retain a 2% NSR interest in the Property that would be subject to a \$2 M buyout. Based on its exploration experience, Geofine would propose carrying out the first year exploration program.

Barrick is currently amenable to giving the incoming party an option to acquire some or all of its interest. The party would negotiate directly with Barrick and could have the opportunity of earning up to a 65% interest in the Stewart Property.

Much of the Stewart Property is underlain by recently recognized lithologies of the prospective Hazelton Group that elsewhere in the Stewart camp host the Red Mountain, Silbak-Premier and Eskay Creek

deposits. In July, 1993, the Stewart Property was optioned to Barrick by Geofund. The Phase 1A reconnaissance geological and geochemical survey funded by Barrick was carried out by Geofine during August, 1993. The program focused on the evaluation of colour anomalies in favourable structural and geological environments. Although a number of alteration zones did not return positive analyses, the Deltaic target area of the property, currently held by Cominco, and surrounding areas on Geofund lands were deemed to offer a high priority gold target.

The Deltaic target area is associated with pyritized and silicified pyroclastic rocks and intermediate to felsic lavas and intrusive rocks that, based on initial sampling, often contain anomalous halos of gold, copper and zinc with metal contents ranging up to 470 ppb gold, 8080 ppm copper and 2628 ppm zinc, respectively. Initial sediment samples from streams in and draining the Deltaic target area have returned anomalous values ranging between 11 and 420 ppb gold, 84 to 1030 ppm copper and 104 to 741 ppm zinc.

Based on the positive analytical results obtained from the Geofine (for Barrick) and Cominco initial exploration programs, the Deltaic Zone mineralization is interpreted to trend northeast over an apparent intermittent strike length of 3 km and has an apparent intermittent width of over 1 km. The Deltaic Zone remains open for expansion and detailed evaluation, and has never been drill tested.

As a follow-up to the Phase 1A program, a Phase 1B geophysical and geochemical program was carried out in the fall of 1993 on a 5.75 km grid to locate and prioritize drill targets on a small but easily accessible area of the Deltaic Zone. The soil survey delineated two broad, anomalous gold zones that trend northeast across the northern and southern parts of the grid. The very broad northern zone is the strongest and has been traced over a strike length of 650 m. Its higher grade core as outlined by the 100 ppb gold contour correlates with the strongest IP Zones A and A1 and with a strong colour anomaly associated with silicified and pyritized pyroclastic rocks.

For example, the northern zone soil anomaly on Line 54E averages 139 ppb gold over a distance of 500 m, remains open to the north, and the higher grade core of the zone averages 195 ppb gold over a distance of 300 m. A zinc soil anomaly (averaging 652 ppm over 100 m) on the north side of the higher grade gold core is suggestive of the polymetallic zoning that occurs at the Red Mountain deposit and with other deposits elsewhere in the Stewart camp.

The soil gold anomaly remains open to the north and another gold zone is suggested by strong soil gold values at the north end of Lines 50E, 51E and 54E. Additional gold targets are postulated to exist in the Deltaic target area based on sediment anomalies discovered in streams draining areas to the north, east and west of the grid, particularly where alteration zones are associated with

more rugged topography.

The southern gold zone soil anomaly as outlined by the 50 ppb contour has been traced over a distance of 650 m, but is narrower and weaker than the northern zone. However, the overburden cover is much thicker than on the northern zone and the southern zone is still characterized by very anomalous gold values over substantial widths. The southern zone remains open to the northeast and southwest.

The IP survey has defined a number of specific chargeability anomalies that tend to pinpoint and prioritize initial drill targets. The strongest IP anomalies, Zones A and A1, are associated with the strongest soil gold anomalies on the northern zone and drilling of both IP zones in a number of locations is recommended.

On the southern part of the Property, drill targets are also apparent on IP Zones D and E where the better soil geochemical responses are located. Soil gold anomalies tend to flank the IP anomalies on the downslope side on the southern part of the property, probably due to hydromorphic and physical dispersion in the deeper overburden.

A 1500 m, Phase 2A drill program is thus recommended as an initial test of the gold potential of the targets outlined to date. However, since the targets remain open for delineation in every direction, it is recommended that the 1993, 5.75 km grid be substantially expanded as topographic conditions permit. A program of detailed geological mapping which has never been carried out, along with an expanded IP, gradiometer and soil and rock geochemical survey is proposed on the new grid to further outline the zones of interest, to locate new ones and to prioritize drill targets.

Since the regional geology is deemed to offer excellent gold potential as indicated by the favourable Mt. Dilworth rhyolite marker horizon and by historical information that suggests additional gold targets, an Aerodat helicopterborne conventional EM, radiometric and gradiometer survey that worked so well at Red Mountain is proposed to evaluate the remaining areas of the property. The cost of the 1000 line km survey is estimated at \$100,000 and Aerodat is planning to have an aircraft in the area in September.

The total cost of the Phase 2 program, including 1500 m of diamond drilling (and possibly more depending on contractor bids) is estimated at \$610,000.

The detailed technical data can be evaluated via the execution of a confidentiality agreement. There is a 2.5 km area of influence around the Property boundary which is shown in Figure 2.

Based on the above information, the Stewart Property is deemed to offer a very unique discovery opportunity: favourable Hazelton Group rocks with strong IP anomalies associated with a positive multi-element geochemical signature that is indicative of the major gold discoveries that have been made in the Stewart Camp. No historical drilling has ever been carried out in a recently defined, prospective, regional geological environment that is controlled by the participants. In view of the current international gold and base metal focus of the major participants, a third party could begin to acquire an approximate one third minimum interest in a potential new discovery that could be intersected and partially delineated by the first drill program. A final interest of up to 65% could be available via an option on the Barrick interest; and, up to 100% if Barrick and Cominco choose not to back-in.

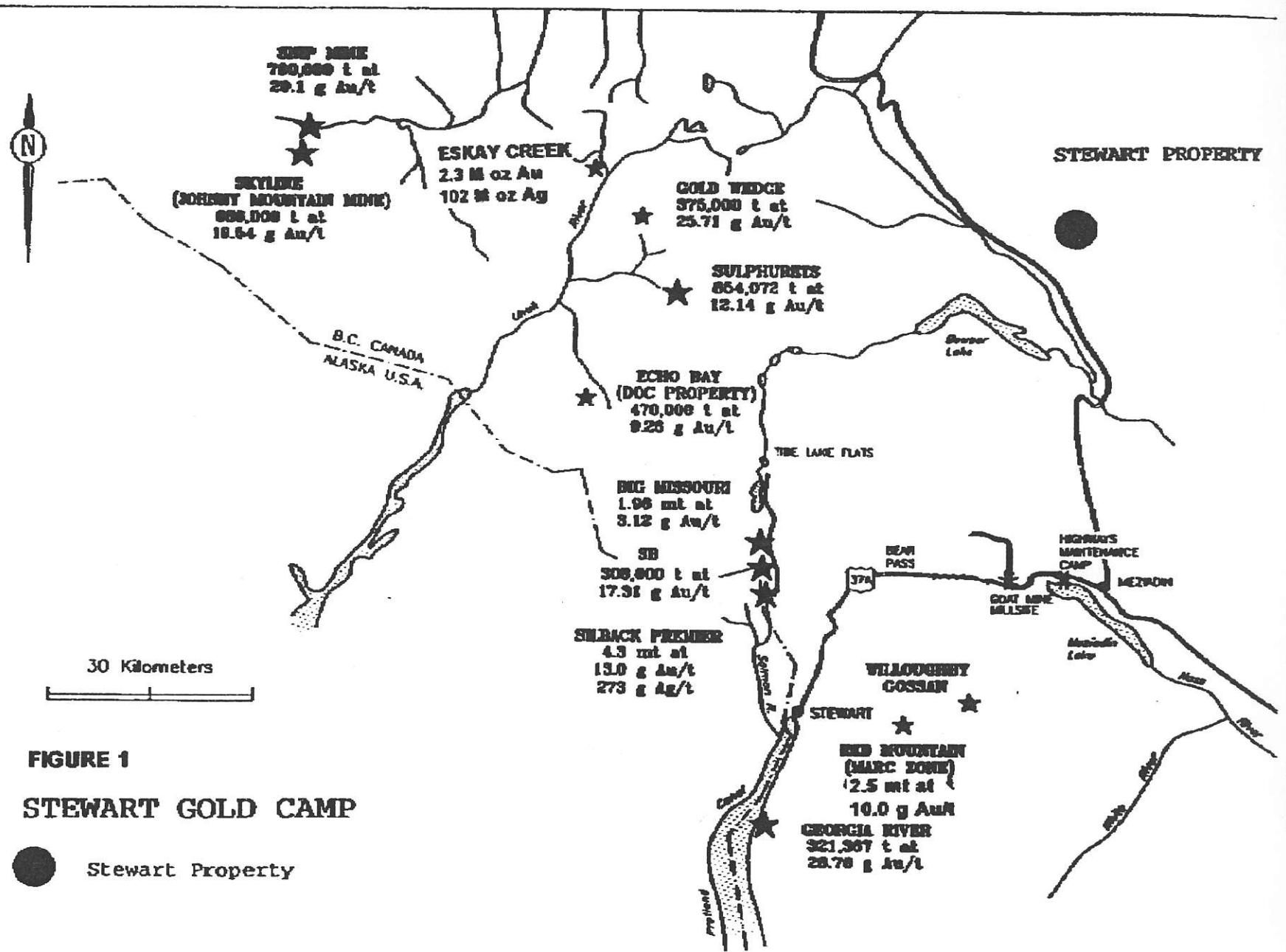


TABLE 1
STEWART PROPERTY, FOX/DELTA/OLD CLAIMS

DELTA PEAK SHEET, 104 A/12
TAFT CREEK SHEET, 104 A/11

COMINCO LANDS

Claim Name	Tag No.	Record No.	Units	Expiry Date
Delta 1	119928	7793	8	Aug 18/96
Delta 2	119927	7794	16	Aug 18/97
			24	

GEOFUND LANDS

(Fox claims are under extension due to government error. Expiry date has been extended to one year later then shown.)

Claim Name	Tag No.	Record No.	Units	Expiry Date
FOX 1	228945	318288	20	JUNE 19/96
FOX 2	228946	318287	20	JUNE 19/96
FOX 3	228947	318288	20	JUNE 19/96
FOX 4	228948	318289	20	JUNE 19/96
FOX 5	228949	318290	20	JUNE 19/96
FOX 6	228950	318291	20	JUNE 19/96
FOX 7	228951	318292	20	JUNE 19/96
FOX 8	228952	318293	20	JUNE 19/96
FOX 9	228953	318294	20	JUNE 19/96
FOX 10	228954	318295	20	JUNE 19/96
FOX 11	228955	318296	20	JUNE 19/96
FOX 12	228956	318297	20	JUNE 19/96
FOX 13	228957	318298	20	JUNE 19/96
FOX 14	228958	318299	20	JUNE 19/96
FOX 15	228959	318300	20	JUNE 19/96
FOX 16	228960	318301	20	JUNE 19/96
FOX 17	228961	318852	20	JUNE 30/96
FOX 18	228962	318853	20	JUNE 30/96
FOX 19	223585	320182	20	AUG 19/96
FOX 20	102830	320183	16	AUG 19/96
FOX 21	102831	320184	16	AUG 19/96
FOX 22	229766	321176	16	SEPT 25/96
FOX 23	229767	321177	16	SEPT 25/96
FOX 24	229768	321178	20	SEPT 25/96
Total Units			484	
OLD 1	232043	323125	20	DEC 16/96
OLD 2	230144	325128	20	DEC 16/96
OLD 3	230145	325127	20	DEC 16/96
OLD 4	230146	325128	20	DEC 16/96
Total Units			80	

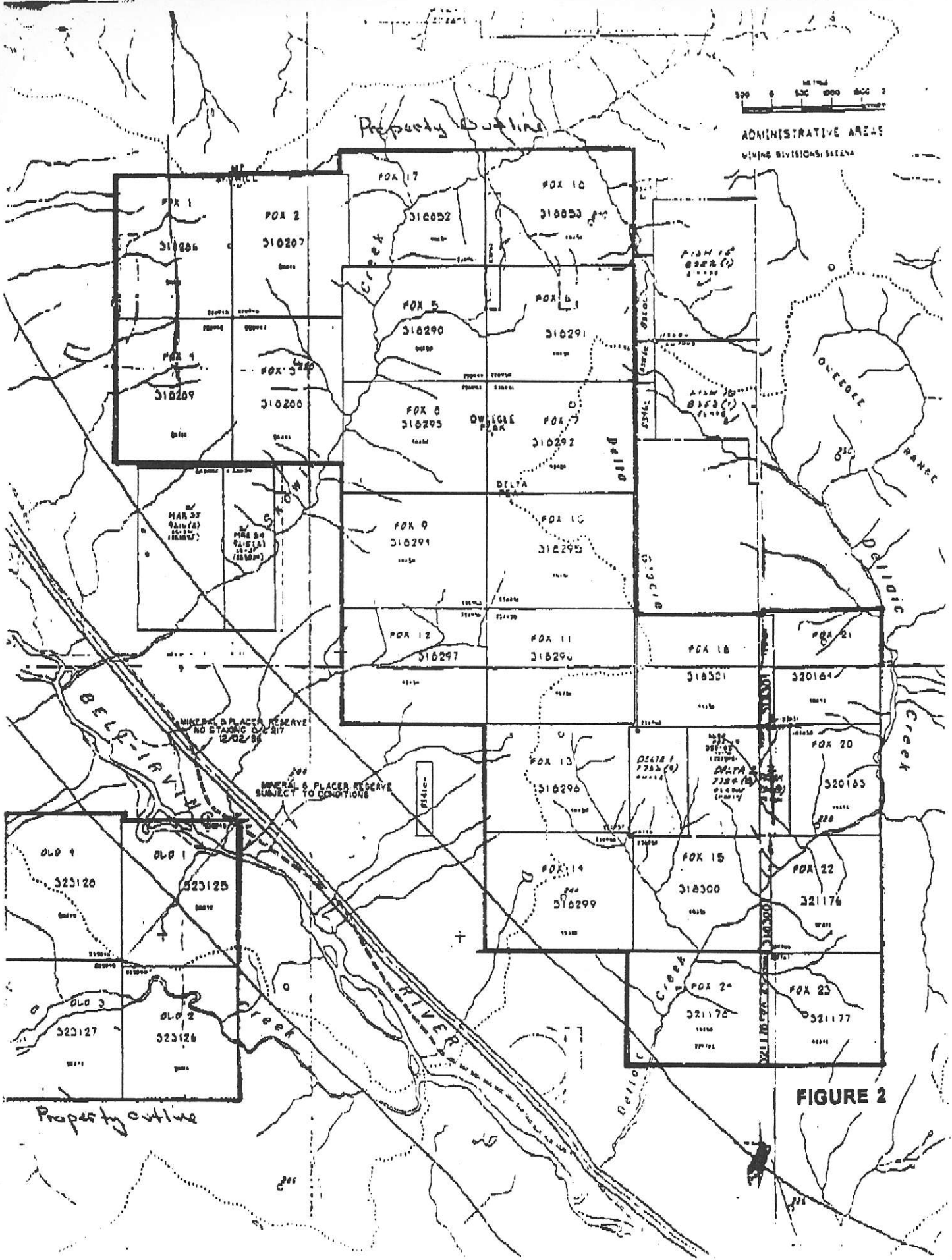


FIGURE 2