

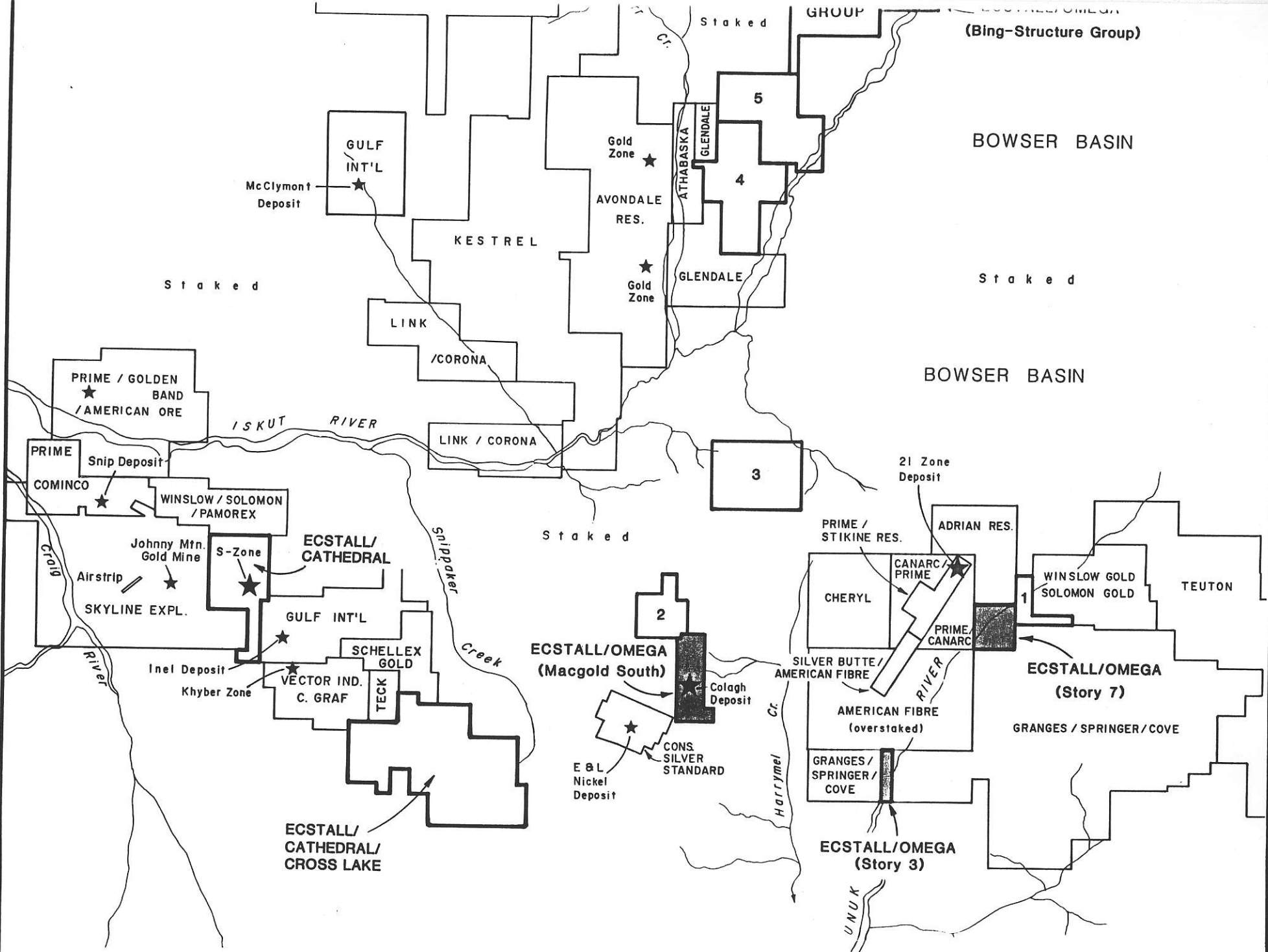
DATE: October 29, 1990
A TO: A. J. Davidson
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DE FROM: G. S. Wells
SUJET SUBJECT: Examination of American Fibre's recent Au intersection
Eskay Creek area NTS 104 B/10

On October 17, 1990, Alex, Ray DuJardin and I had the opportunity to view American Fibre's recent intersection in hole 90-30 which yielded assays of 0.421 opt Au and 30.9 opt Ag over 46.9 ft. The discovery was made on the SIB claims which American Fibre owns with their joint venture partner - Silver Butte Resources (50/50). The claims are located south of and are contiguous with the Prime/Stikine Eskay Creek property (see attached figure).

Although American Fibre was very secretive about what they were doing, they did tell us that hole 90-30 tested a one sample soil and coincident VLF anomaly in the southern part of their claim group. Only three boxes of core were available for viewing and all contained graphitic and pyritic argillites which host the gold mineralization. No information on the host rocks was provided. The argillite has a shattered look throughout but is locally well-bedded in areas of thin (2-3 mm) pyritic beds. The gold mineralization is associated with veinlets which crosscut the bedding. The most abundant sulphide is a steel grey mineral which is probably part of the tetrahedrite-tennatite series - especially in light of the very high silver values. Traces of a grey bladed mineral = stibnite? and numerous specks of gold are also present.

On the basis of our examination of the drill core, it is apparent that the precious metal mineralization is epigenetic and that the graphitic argillites were the chemical trap for the metal-rich solutions. Identification of the structures along which these fluids migrated will be the key to finding additional ore reserves.

The American Fibre - Silver Butte claims are ideally located in the Eskay Creek camp and the recent drill hole has confirmed that spectacular gold and silver values are present. Acquisition of the property would provide Minnova with a toe-hold in the world class Eskay Creek camp. However the cost may be more than we are willing to pay for what is still just an exploration play.



While we believe this information to have been obtained in accordance with standard industry practices, we make no representation with respect to, nor do we assume any responsibility for the correctness thereof.