

MEMO: Re: Ferroux Property, Proposed Work Program

To: Ian Pirie
From: Linda Lee

I have reviewed the existing data on the Ferroux property, and the work proposal submitted by Discovery, and have tried to summarize this information on the attached map. The 1989 work program outlined three areas of interest, as follows:

1) N END OF WT 3

There are no heavy mineral anomalies in this area. Recce soil sampling defined a moderate Au (+Cu, Zn, Ag, As) anomaly which was tested by backhoe trenching. Trenching indicated that mineralization was controlled by east-west fault zones within the quartz monzonite. Values to 720 ppb Au (+anomalous Cu and Zn) were obtained in one trench.

2) E FLOWING DRAINAGE AT S END OF WT 3

A heavy mineral sample collected from this creek was anomalous in Zn, Ag, Cu, Hg, Pb, Sb, U, and W (but NOT Au). One trench was dug up slope from this sample site, with no significant results.

3) W FLOWING DRAINAGE @ S END OF WT, MAIN FERROUX CREEK

Two heavy mineral samples collected from these drainages were anomalous in Au (18 and 21 micrograms). Follow-up sampling did not give any anomalous results. Contour soils were done in this area in 1989. No anomalous values occurred.

Discovery's proposed program is to test Area 2 with contour soils and to collect a further 8 heavy mineral samples (some would be retakes), for a total cost of \$4300. My feeling on this program is that at the end of it we would still have untested areas and unanswered anomalies, making another similar program necessary. I think a better approach would be as follows:

AREA 1 : Do two short contour soil traverses, upslope from Trench A, to test the east-west mineralized fault structures (a total of 14 soils). Unless there is substantial encouragement from these samples, Area 1 can be written off.

AREA 2: Do recce contour soils upslope from the multielement anomaly, as proposed by Discovery (but not as dense a line spacing). A total of 13 soils would be needed to test this area, and again, unless results were very good, no further work would be required in this area.

AREA 3: Retake 2 heavy mineral samples (which ran 18 and 21 micrograms Au). Do one contour soil traverse downslope of previous sampling, since follow-up heavies indicate that the anomaly was cut off below this sampling. If resampling confirms

the heavy mineral anomalies and soil sampling does not help locate the source, further contour soils may be necessary in this area.

Estimated Cost:	1 day x 3 assistants	=	\$400
	32 soils x \$12	=	384
	2 heavies x \$120	=	240
	transportation	=	80
	accom/meals	=	100

			approx. \$1200