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# RHYOLITE RESOURCES INC.

Box 31, R.R.1, Black Point Road, Powell River, B.C.
V8A 4Z2 (Vancouver 685-9956) (604) 487-9055
(604)487-9626


PROGRESS REPORT
APRIL 5, 1983

During the first quarter of 1983 work at the Harrison Lake property continued. Diamond drilling is the main exploration being carried out. Most of the drilling this year has been on the 15-m square grid pattern extending zones of gold mineralization identified previously. A set of cross sections together with a longitudinal section, and a geological plan at 100 m elevation, have been prepared from the drill information. It appears that there are at least four different geological regimes on the property, each with its own geological pattern. The zones are separated by vertical faults. Correlations across the faults have not been possible to date. These areas are defined on the attached drill hole plan. Results of the drilling to date are provided in the table below.

DRILLING TO DATE AT HARRISON LAKE PROPERTY

| Geological Zone | No.of DDH's | Total Metres | Width(m) Average (Range) | Gold(oz/T) Average (Range of Averages) |
|---|---|---|---|---|
| Breccia | 22 | 904.2 | 6.3 (1.5 -12.1) | 0.068 (.012 - .212) |
| Massive Volcs. | 14 | 588.0 | 1.5 (0.3 - 2.2) | 0.050 (.021 - .156) |
| Diorite | 21 | 978.9 | 1.5 (0.5 - 4.0) | 0.057 (.006 - .188) |
| Sediments | 12 | 796.3 | 1.3 (1.0 - 1.8) | Trace (Nil - .022) |
| Total | 69 | 3267.4 | | |
| 1983 Total | 33 | 1700.5 | | |

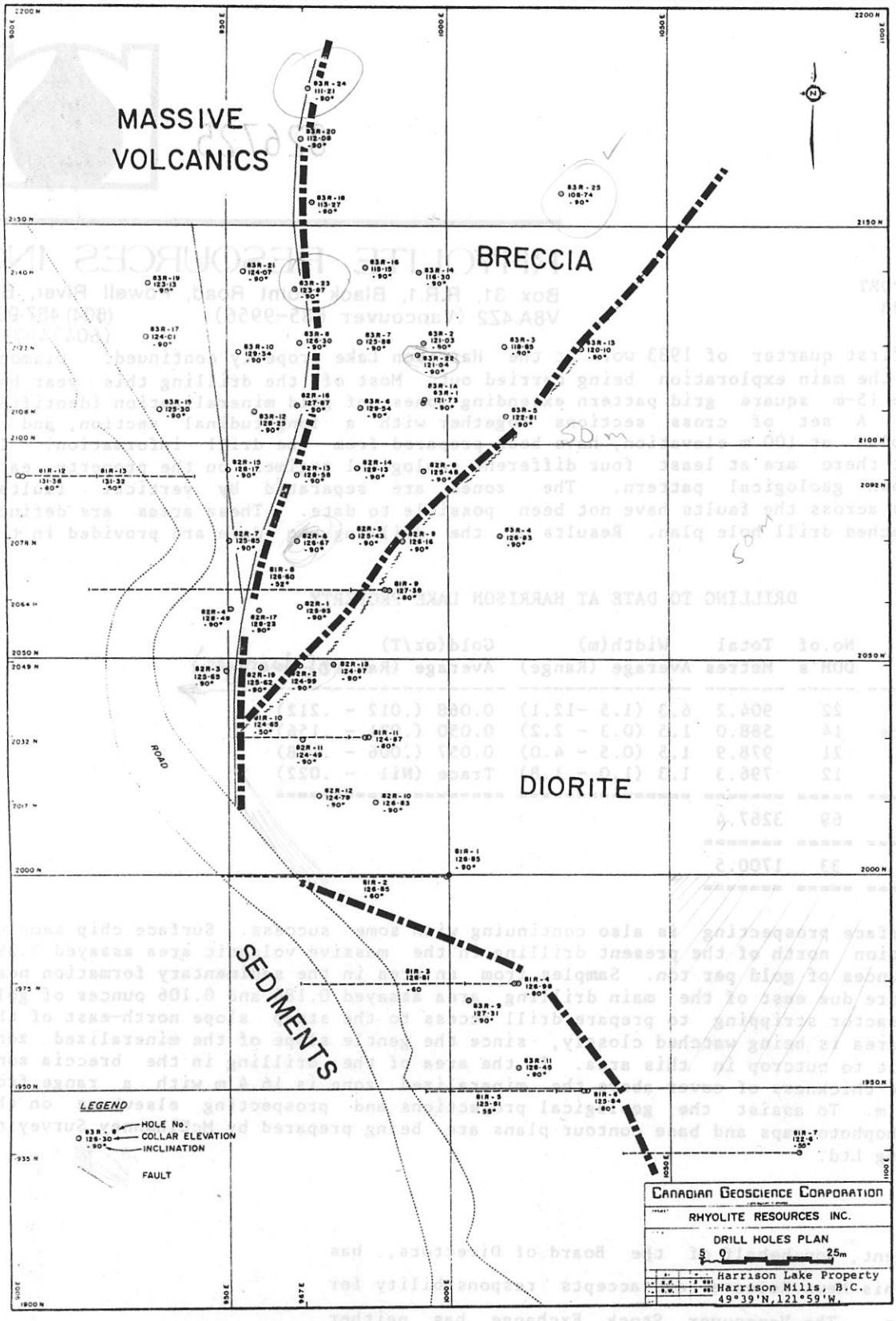
Detailed surface prospecting is also continuing with some success. Surface chip samples from a location north of the present drilling in the massive volcanic area assayed 3.390 and 4.725 ounces of gold per ton. Samples from an area in the sedimentary formation near the lake shore due east of the main drilling area assayed 0.186 and 0.106 ounces of gold per ton. Tractor stripping to prepare drill access to the steep slope north-east of the main drill area is being watched closely, since the gentle slope of the mineralized zone may bring it to outcrop in this area. In the area of the drilling in the breccia zone the average thickness of cover above the mineralized zone is 16.4 m with a range from 3.1 to 28.4 m. To assist the geological projections and prospecting elsewhere on the claims, orthophoto maps and base contour plans are being prepared by McElhanney Surveying & Engineering Ltd.

The President, on behalf of the Board of Directors, has prepared this News Release and accepts responsibility for its contents. The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.

Rhyolite Resources Inc. is traded on the Vancouver Stock Exchange under the symbol RHY.

On Behalf of the Board of Directors

Jon A. Stewart, President




TO ACCOMPANY HARRISON LAKE PROPERTY PROGRESS REPORT DATED APRIL 5, 1983

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NEWS RELEASE
April 12, 1983

TEXADA ISLAND, B. C. PROPERTIES

Rhyolite Resources Inc, has signed a letter agreement with financial interests to joint venture the development of properties held by Rhyolite on Texada Island, B. C. Visible gold and silver samples have been returned from these properties. The investing groups can earn up to 60% interest for the expenditure of $1.75 million. Rhyolite will remain the operator of these properties. Full details of the agreement will be released later. Rhyolite Resources has commenced work on a drilling program for these properties recommended by D. R. Cochrane, P. Eng.

Management hopes to finalize, in the near future, details of further financing for the on-going development of its gold property at Harrison Lake, B. C.

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On Behalf of the Board of Directors

Jon A. Stewart, President

Vancouver Petrographics Ltd.

JAMES VINNELL, Manager
JOHN G. PAYNE, Ph. D. Geologist

P.O. BOX 39
8887 NASH STREET
FORT LANGLEY, B.C.
VOX 1JO

PHONE (604) 888-1323

Report for: Jon Stewart,
Rhyolite Resources Inc.,
Box 31, Black Point Road,
Powell River, B.C.
V8A 4Z2

April 7, 1983

Preliminary mineralogical study of surface and core samples from Harrison Lake property.

Sulphide mineralization occurs in thin fractures within diorite and a variety of volcanic and metasedimentary rocks.

The dominant sulphides are pyrite and arsenopyrite. Pyrite formed earlier than the arsenopyrite. Minor sphalerite and chalcopyrite formed after the arsenopyrite.

The sulphides are associated with quartz-sericite-calcite alteration,occuring in veinlets along the fractures and pervasively around them. Fracturing has also occured after the formation of the pyrite and arsenopyrite. Some calcite and an unidentified clay mineral occur in narrow fractures and small vugs associated with the later fracturing.

Native gold forms rounded inclusions less than 0.04mm in size within pyrite in both surface and core samples. One Au inclusion was seen in an arsenopyrite grain in sample 82-R-8 21.15m. Native gold also forms inclusion in quartz and clay in a sample taken from outcrop near DDH 83-R-24; inclusions in pyrite are common in this sample also. Pyrrhotite inclusions are common in some pyrite grains.

Gold-silver tellurides are more common than native gold. They form small irregularly shaped patches around and between arsenopyrite grains,sometimes in fractures within the arsenopyrite and pyrite. Maximum size is about 0.2mm. A variety of tellurides occur,usually intimately mixed with one another. In some grains there are small specks of native gold. The commonest is a silvery grey mineral which is probably petzite ($Ag_3AuTe_2$) or sylvanite ($AgAuTe_4$). Minor amounts of a more yellowish mineral are also present. This could be calaverite (AuTe) or krennerite ($AuTe_2$). The tellurides occur in both surface and drill-core samples and are always associated with the late fracuring and,in the surface samples,with the clay mineralisation. Because of their small size and not well documented optical properties I recommend that a qualitative chemical analysis be carried out on selected samples using an energy-dispersive spectrometer attatched to a scanning electron microscope.

The following samples contain gold (Au) and/or tellurides (Te):

South Show (close to 19181 and 19182) - Te only
Cliff Vein - Au in pyrite
S.E. Swamp (close to 19169 and 19170) - Te only
Outcrop near DDH 83-R-24 - Au and Te

(continued)

Preliminary mineralogical study of surface and core samples from Harrison Lake (cont.)

Samples containing gold and/or tellurides:

82-R-11 15.70m - Te only (with specks of native Au)
82-R-13 16.33m - Te only
82-R-8 21.15m - Au in pyrite, one inclusion in arsenopyrite
82-R-11 11.10m - Au in pyrite

There does not appear to be a lithological control to the type of mineralization; the above samples include diorite, volcanics and metasediments.

A.L. Littlejohn

A.L.Littlejohn, M.Sc.