Property Exam. 92I/09
826919

MINNOVA

MEMORANDUM

DATE: October 10, 1990

À TO: Ross Weeks, A. J. Davidson

DRAFT

COPIES À COPIES TO: L. Lee

DE FROM: I. D. Pirie

SUJET SUBJECT: Getchell Resources - Galaxy Property

Following my memo of August 10th bringing this property to your attention, I have reviewed the available data in more detail. Upon consideration it is apparent that a minimum target size at the grades expected (0.65% Cu, 0.01 opt Au) is in the 50 million tonne range. Table 1 summarizes DCF calculations used to confirm this. I have taken this target size into consideration in my review.

PROPERTY

The property consists of 110 claim units held by Getchell Resources Inc. under three separate option agreements, two with Abermin and one with Deak International. It covers a portion of the Iron Mask batholith approximately five kilometres SW of Kamloops and is favourably located between the mined out Afton deposit (30 M tonnes @ 1% Cu, 0.016 opt Au) and the currently producing Ajax deposit (10 M tonnes @ 0.5% Cu, 0.01 opt Au).

PROPERTY GEOLOGY

The property is underlain by all the main phases of the alkaline, Triassic-Jurassic Iron Mask Batholith. These range from diorite to syenite in composition and intrude and are coeval with Nicola Group volcanics. Volcanics and sediments of the Tertiary Kamloops group unconformably overlie the Iron Mask locally. Major structural features include NW, N and NE trending faults which have controlled intrusion of the various batholith phases as well as later Tertiary volcanism. These structures also appear to control

the numerous Cu-Au occurrences found throughout all phases except the final Cherry Creek phase. Mineralization consists of chalcopyrite and bornite. Later supergene processes have locally produced chalcocite and native copper. Gold occurs in both types.

PROPERTY HISTORY

The portion of the property optioned from Abermin has seen extensive exploration since the late 1800's. The Galaxy deposit itself was probably discovered around 1903 and was essentially delineated by work done in the 1950's. During 1969 and 1970 Nor-West Kim Resources deepened on old shaft and carried out about 2000 ' of lateral development on the 80 'level. They took two bulk samples for metallurgical testing.

During 1977-78 Canadian Superior carried out mapping and a mag survey and drilled eight holes to test for extensions of the Galaxy without success.

During 1987 and 1988 Abermin carried out limited IP work in the Jacko Lake area and followed up with some drilling without success. This work was centred around the Sugarloaf structure.

In 1990, Getchell Resources carried out two programs. An IP survey on lines 250 m apart (Figure 1) was carried out over the Galaxy trend southeast of the deposit. It delineated an interesting chargeability anomaly. At the same time an eight hole reverse circulation program was carried out on the Galaxy deposit itself. Their objective was to confirm the grades and their distribution indicated by previous work. Results were as follows:

Drill Hole	Dip	Intercept (m)	Cu %	Au opt
RC90-1	-90°	3.05-24.39 (21.34)	0.95	0.005
RC90-2	-90°	7.62-70.1 (63.5)	0.39	0.001
RC90-3	-55°	6.10-73.15 (67.05)	1.14	0.006
RC90-4	-65°	1.52-21.34 (19.82)	0.32	0.007
RG90-5	-55o	6.10-12.19 (6.09)	0.31	-----
		41.15-74.68 (33.53)	0.21	0.001
RG90-6	-65°	32.00-86.87 (54.87)	0.47	0.003
RG90-7	-45°	24.39-42.67 (18.28)	2.65	0.041
RG90-8		No significant intersections		

-Hole locations are on Figure 2

-Hole 90-1 was abandoned at 24.39 m after hitting old workings

The results obtained essentially confirmed pre-existing data and gave more credence to it.

Total amount expended by Getchell on the two program was approximately $45,000.

The part of the property optioned from Deak International has also seen significant past exploration (see Figure 3) most of it since the mid 1960's. In that time the entire property has been subject to IP surveys and numerous operators. The best zone discovered is called the Rainbow or Nahatlatch or No. 2 Zone. Reserve estimates vary from 11.2 M tons of 0.59% Cu (Nahatlatch Resources - 1976) to 4 M tonnes of 0.8% Cu, 0.015% Mo and 4 g/t Ag (Craigmont - 1981). No significant Au values are reported and the deposit sits beneath upwards of 75 m of barren waste rock.

Although Getchell have not physically worked on the property they did apply assessment to it from their work on the Abermin option.

DISCUSSION

From my consideration of the available data it is apparent that the only place that there realistically remains enough room for an open pittable 50 million tonne orebody is along the Galaxy structure between Galaxy and Ajax (Figure 1).

Getchelll's IP survey has shown the presence of an anomaly at least 250 m wide and 1 km long (An orebody of these plan dimensions would require a vertical dimension of 100 m for 65 million tonnes). There is also room for other anomalies and extensions in all directions but NE of the Getchell grid. As far as I can determine there has been geology and mag done over this area but no soils or drilling.

Given the location on trend known to be mineralized between zones of 3.5 million tonnes and 10 million tonnes of 0.3% - 0.65% Cu and 0.01 - 0.015 opt Au. I believe there is a very good chance of discovery of mineralization. Whether or not this will prove large enough to mine is another matter.

In order to confirm my feelings I have requested that Doug Blanchflower, who has worked in the Ironmask for 15 years, including on this property, review the data. He will report back to me early next week.

I have had some preliminary discussions with Getchell re a possible deal and have raised my concerns with them that we could end up paying $40,000 in payments on the underlying deal and then effectively eliminating the potential for a minable deposit for expenditures of little more than that in 1991. They are prepared to agree to the following:

- Minnova pay Getchell $5,000 and drill 5 x 300' RC holes in target IP anomaly by Dec 15, 1990.

- If encouraged enough to continue, proceed to a deal based on the following terms (all negotiable)

1. Assume all underlying payments during tenancy of the agreement ($40,000 in Dec-Jan, $20,000 in Dec 91-Jan 92).

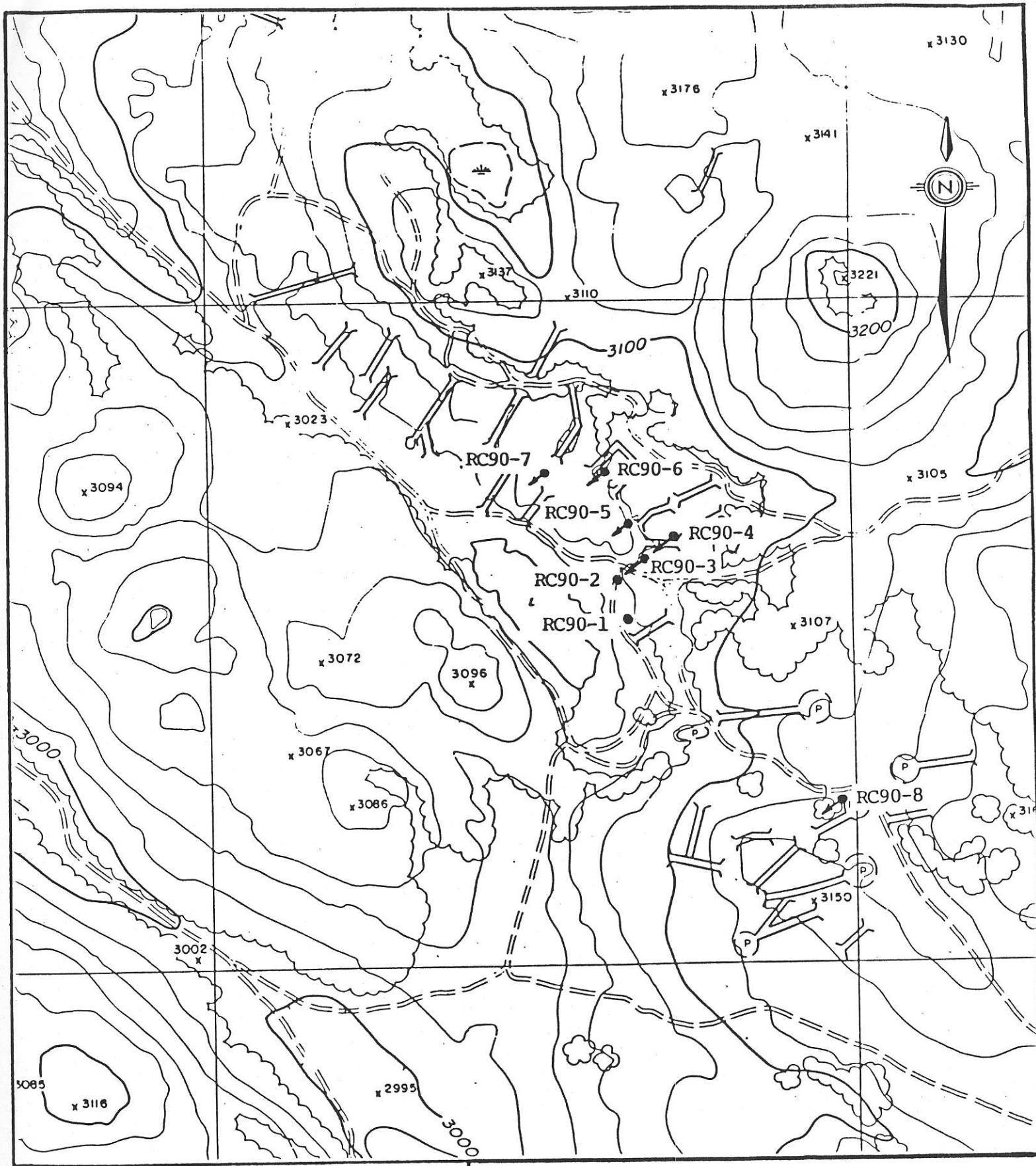
2. Fulfil underlying work commitment of $750,000/5 years on Abermin option.

3. No payments to Getchell until year 3 (1993), then $50,000 one time payment.

4. Getchell retain 15% interest carried through production (this would leave 60% for Minnova/Brenda in worst case scenario, rising to 85% if Abermin can be bought out).

5. Reimburse Getchell for purchase of Abermin's surface rights if they are faced to do so in 1992.

6. Getchell or Minnova shall attempt to renegotiate with Abermin's receivers, ideally for a complete buyout, with both parties benefiting if successful.



GETCHELL RESOURCES INC.

GALAXY PROJECT

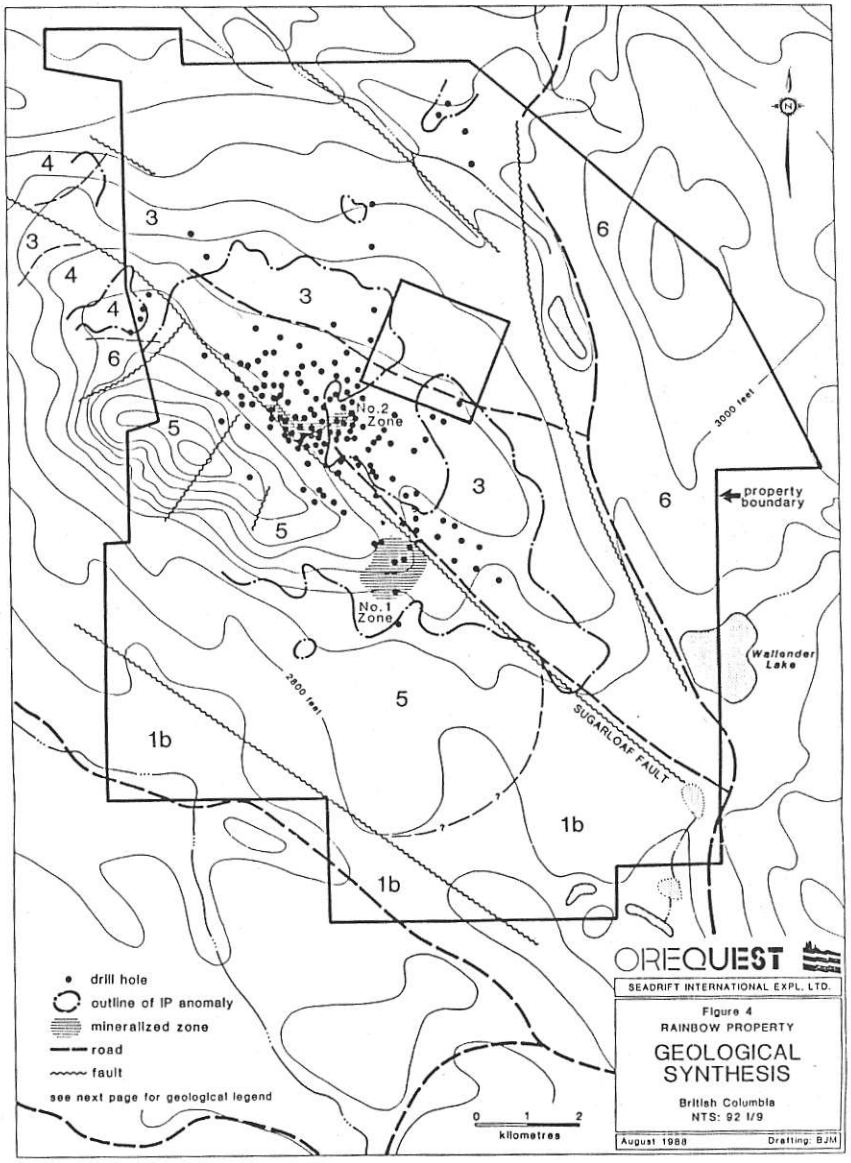
KAMLOOPS M.D., BRITISH COLUMBIA

DRILL HOLE LOCATIONS

DRWG
3

0 100 200 300 400 500

metres



TERTIARY

8 Brown basalt dykes

EOCENE

KAMLOOPS GROUP

7a Volcanic rocks (andesite, agglomerate and pillow breccia)

7b Sedimentary rocks (conglomerate, sandstone, tuff and coal seams)

EROSIONAL UNCONFORMITY

UPPER TRIASSIC

MAJOR NORMAL FAULTING

POTASSIC FELDSPATHIZATION and MINERALIZATION

MAJOR FAULTING and BRECCIATION

IRON MASK INTRUSIVE ROCKS

6 CHERRY CREEK INTRUSIVES

6g Aphanitic Cherry Creek micromonzonite and / or microsyenite dykes

6 Intrusive porphyry breccia variety

6b Undivided Cherry Creek intrusives (diorite, monzonite, syenite and their porphyritic and fine - grained equivalents)

c Syenite and microsyenite

d Monzonite and micromonzonite

e Diorite and microdiorite

f Hybrid diorite / microdiorite variety

4a Plagioclase augite (± Hb, Bi) porphyry diorite dykes

5 SUGARLOAF INTRUSIVES (porphyritic hornblende, pyroxene and/or plagioclase diorite - andesite.)

4 POTHOOK INTRUSIVES (medium grained hornblende and biotite - rich diorite - andesite.)

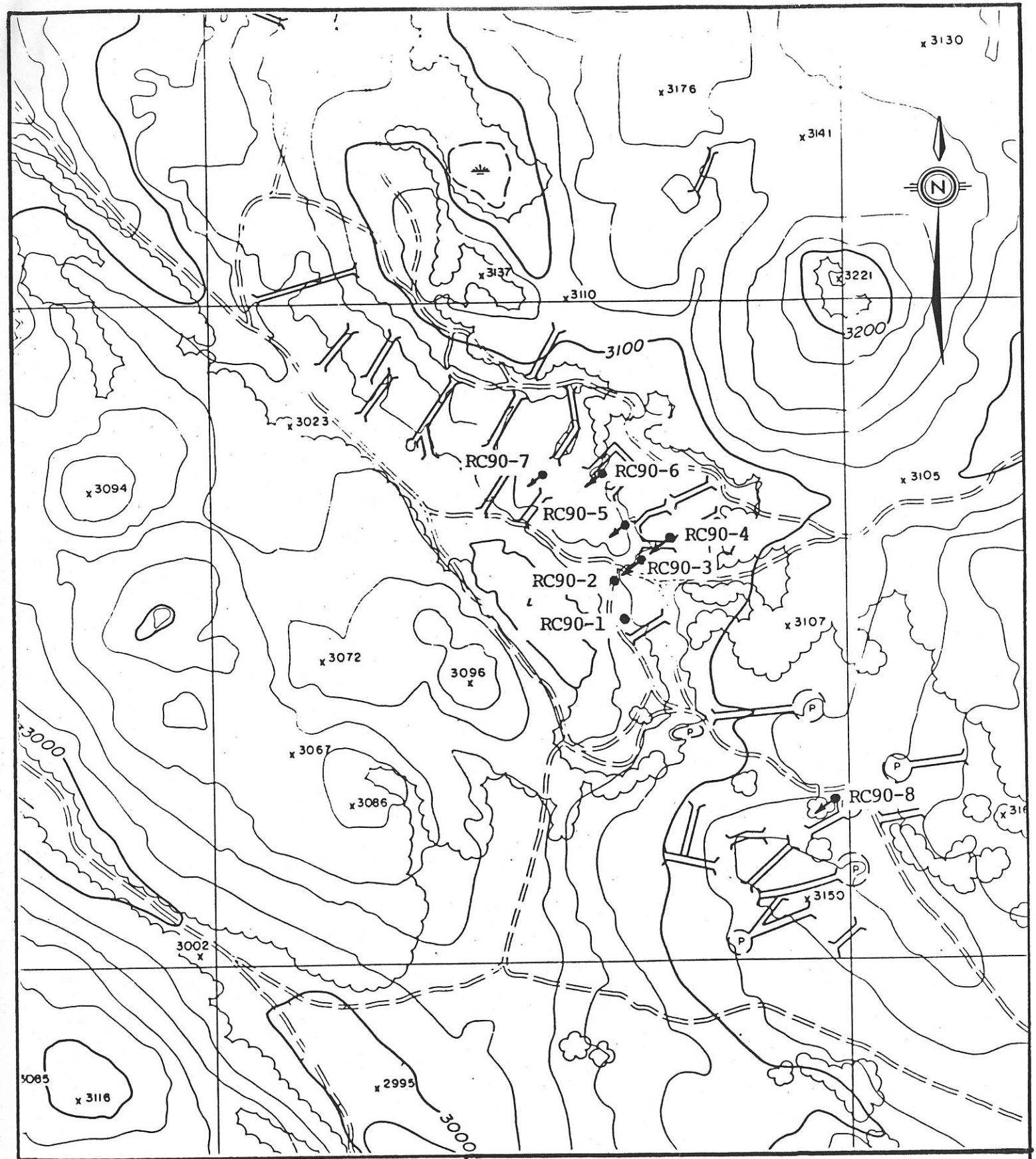
3 IRON MASK INTRUSIVES (agmatitic, fine - to coarse - grained diorite, coarse - grained gabbro, medium - to coarse grained hornblendite and scattered Nicola xenoliths)

2 PICRITE (basalt commonly serpentinized)

NICOLA GROUP

1a Metasedimentary rocks (siliceous argillite, sandstone and volcanic wacke)

1b Volcanic rocks (pyroclastics with interbedded flows of andesitic to basaltic composition.)



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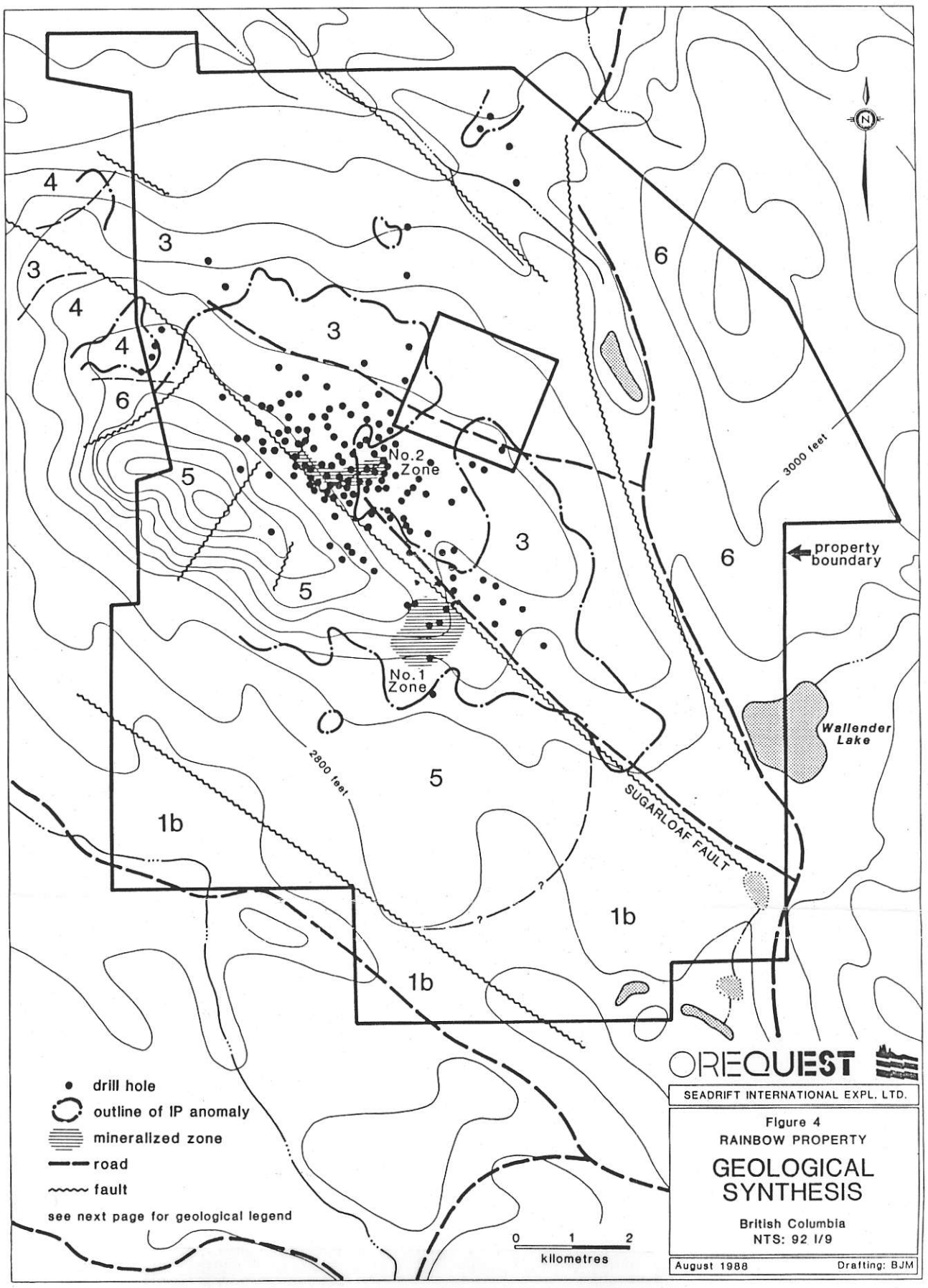

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- c Syenite and microsyenite
- d Monzonite and micromonzonite
- e Diorite and microdiorite
- f Hybrid diorite/microdiorite variety

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