

LARA PROJECT
Summary of Work

Introduction

In late 1988, Minnova obtained the exclusive exploration rights to the 24 claim (149 units) Lara property which is located immediately west of Minnova's Mt. Sicker projects. (Figure 1) The property was acquired to evaluate the economic potential of the Coronation massive sulphide zone and other mineralized horizons that occur on the property. A recalculation of the mineral inventory using a \$50 NSR over 2.0 meter cutoff indicated that the Coronation zone contains 324,869 tonnes with a grade of 0.91% Cu, 1.26% Pb, 6.01% Zn, 111.1 g/T Ag and 4.70 g/T Au (NSR = \$101.67/T).

1989 Exploration Program

In 1989, 43 diamond drill holes totalling 10,327.8 meters were completed on the Lara property. (Figure 2) Twenty-six (26) holes (6255.7 m) tested the extent of the Coronation Zone mineralization and 17 holes (4072.2 m) tested other mineralized horizons and geophysical targets. Preliminary metallurgical and mineralogical studies of the Coronation zone mineralization were completed. In addition, the open-pit potential was evaluated by Mintec.

Other work done in 1989 included geological and structural mapping, lithogeochemical sampling (192 samples), humus sampling (184 samples), 27.5 km of surveyed grid, 40.8 km of linecutting, 49.2 km of Mag-VLF surveying, 17.0 km of VLF surveying, 26.7 km of IP surveying and downhole IP (5 holes).

Results of the 1989 Program

The Coronation Zone drilling indicated that the isolated intersections in the eastern part of the zone have a limited lateral and down dip extent. However, the down-plunge extent of

the central high grade zone was extended by hole 233 which intersected 0.47% Cu, 2.72% Zn, 0.60% Pb, 103.9 g/T Ag and 1.89 g/T Au over 3.82 m and hole 241 which intersected 0.5 m of massive sulphides that assayed 2.59% Cu, 11.5% Pb, 22.6% Zn, 455 g/T Ag and 50.2 g/T Au. Wide zones (10 m+) of sulphide mineralization occur below the near surface high grade pod but grades are sub-economic. The western part of the Coronation zone is also weakly mineralized although a "Hanging Wall Zone" locally has thin, high grade massive sulphide pods (i.e. hole 245: 1.76% Cu, 8.98% Pb, 22.5% Zn, 1080 g/T Ag, 15.4 g/T Au over 0.45 m).

Metallurgical work indicated that good recoveries could be obtained for all metals. Mintec's study suggested that the shallow, high-grade pods of the Coronation and Coronation Extension zones are amenable to open pit mining but the deposit is too small to be economic. Their reserve estimate is 399,173 tonnes at 0.40% Cu, 0.50% Pb, 2.24% Zn, 53.9 g/T Ag, 2.39 g/T Au (NSR/T = \$48.78). The stripping ratio is 14.6:1 for a 60° pit wall angle.

The geological, geophysical and geochemical work has greatly enhanced the massive sulphide potential elsewhere on the property. The Coronation Zone is interpreted as a stringer zone that has been stretched parallel to the lineation during an early folding episode. At the present erosional surface, it appears that the volcanogenic massive sulphide associated with the Coronation stringer zone has been eroded away. However the easterly plunge of the mineral lineations implies that such a deposit could be preserved to the east. In addition, a late regional thrust faulting event has locally repeated both the mineralization and the stratigraphy. Consequently, any one of the mineralized or cherty horizons that occur on the property may be correlative with the VMS horizon that is associated with the Coronation Zone. (Figure 3)

The lithogeochemical survey defined two areas of hydrothermal alteration that is typically associated with volcanogenic massive sulphide deposits. (Figures 2, 4) These zones

are characterized by sodium (Na_2O) depletion, and barium (Ba), copper (Cu) and zinc (Zn) enrichment. One of these altered zones is associated with the Randy Zone felsic volcanics that outcrop in the northern part of the property near the transition between Sicker volcanics and sediments. This alteration appears to be stratiform and has been traced over a strike length of approximately 12 km. The other area of hydrothermal alteration is associated with felsic volcanics that are located a) in the structural hanging wall to the Coronation Zone: 262 Felsics and b) to the east of the Coronation and Coronation Extension zones: CZ Felsics.

Hole 89-262 which tested an IP anomaly in the 262 Felsics, intersected a 1.15 meter zone of intermediate ash, chert and semi-massive pyrite that assayed 1.42% Cu, 0.12% Zn and 5.9 g/T Ag. Pyritic cherts and intermediate ashes with anomalous zinc contents (89-269: 213 ppm Zn over 7.9 m) have been traced up to 2.1 km east of the 262 intersection. These units are interpreted as distal exhalites associated with a potentially economic VMS deposit.

The Road showing occurs in altered CZ Felsics, 1.5 km east of the Coronation Extension zone mineralization. Sulphide stringer material from this occurrence have yielded assays as high as 0.2% Cu, 0.85% Pb, 3.25% Zn, 25 g/T Ag, 2.94 g/T Au and 1.84% Ba. Trenching 550 meters to the west of the showing has exposed a 15 meter thick argillite horizon which may be correlative with massive sulphide deposition. This and the presence of highly geochemically anomalous felsic volcanics (i.e. hole 84-1: 1795 ppm Zn, 3900 ppm Ba, 0.94% Na_2O over 17.7 m) indicates that the Road showing area may be near to the easterly plunging VMS deposit thought to be associated with the Coronation stringer zone.

1990 Exploration Program

The Coronation Zone is a high-grade, near surface sulphide zone that by itself is sub-economic due to its small size. The purpose of the 1990 exploration program is to define additional shallow level reserves elsewhere on the property.

The 1990 spring drill program will evaluate geological and geophysical targets associated with hydrothermally altered 262 and CZ felsics that outcrop to the east of the Coronation zone. Twenty holes totalling 4590 m have been proposed to test specific geophysical and geochemical targets within these altered felsic packages that occur in the vicinity of the 262 intersection and the Road showing.

The fall drill program will follow-up intersections from the current program, test the edges of the Randy hydrothermal alteration zone and evaluate the western extent of the 262 mineralized zone.