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LARA PROJECT (PN 242)

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Introduction

In late 1988 Minnova obtained the exclusive exploration rights to the 24 claim (149 unit) Lara property which is located immediately west of Minnova's Mt. Sicker projects. The property was acquired to evaluate the economic potential of the Coronation massive sulphide zone and other mineralized horizons that are hosted in Sicker volcanics - the same rocks that host Westmin's Buttle Lake massive sulphide deposits. A recalculation of the mineral inventory using a $50 NSR over 2.0 meter cutoff indicated that the Coronation zone contained 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. 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).

214-216
~~554.74~~
971.40

		CZ		262 West Zinc		Recce		Randy	
'43	10,237.54	27	6457.10		1 203.90 3 728.10 4 1032.64 ✓	v2	423.7	2	420.70
49	11,167.09	19	4138.58	26	6188.22	4	840.29		
92	21,404.63								

Results

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 stretched stringer zone that is associated with a volcanogenic massive sulphide deposit. 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.

Two zones of hydrothermally altered volcanics (Na_2O depletion, Cu, Zn, Ba enrichment) have been identified on the property. One occurs in the Randy Zone at the transition between

qtz-eyed felsic volcanics and reworked volcanic sediments. The stratigraphy in this area may be overturned to the south which implies that the stratigraphy was not adequately tested by previous drill holes. The other area of hydrothermal alteration is an elongate east-west trending zone that occurs to the north and east of the Coronation zone. Drill testing of geophysical anomalies within this altered zone intersected pyritic cherts which are interpreted as exhalative horizons. These zones are locally base metal rich as seen in hole 262 which intersected a zone of intermediate ash, chert and semi-massive sulphides that assayed 1.42% Cu and 0.12% Zn over 1.15 m.

Future Work

The Coronation Zone is a high-grade, near surface sulphide zone that by itself is sub-economic due to its small size. The 1990 exploration program will attempt to define additional shallow-level reserves elsewhere on the property. The main focus of the work will be to evaluate mineralized horizons which were defined in 1989 by ground surveys and/or diamond drilling. A limited amount of linecutting, IP, VLF, Mag and geology remains to be done in the eastern part of the property. The bulk of an 8500 meter drill program will evaluate mineralized horizons in the following areas:

1. **RANDY ZONE** - most altered rocks on the property.

2. **262 ZONE** - no drill hole within 1 km of this hole

3. **ROAD SHOWING** - 550 meters to the west have a 15 m thick pyritic argillite - never drill tested.

4. **PYRITIC CHERTS** - in Barite vein and East grid areas - these exhalites untested along strike.

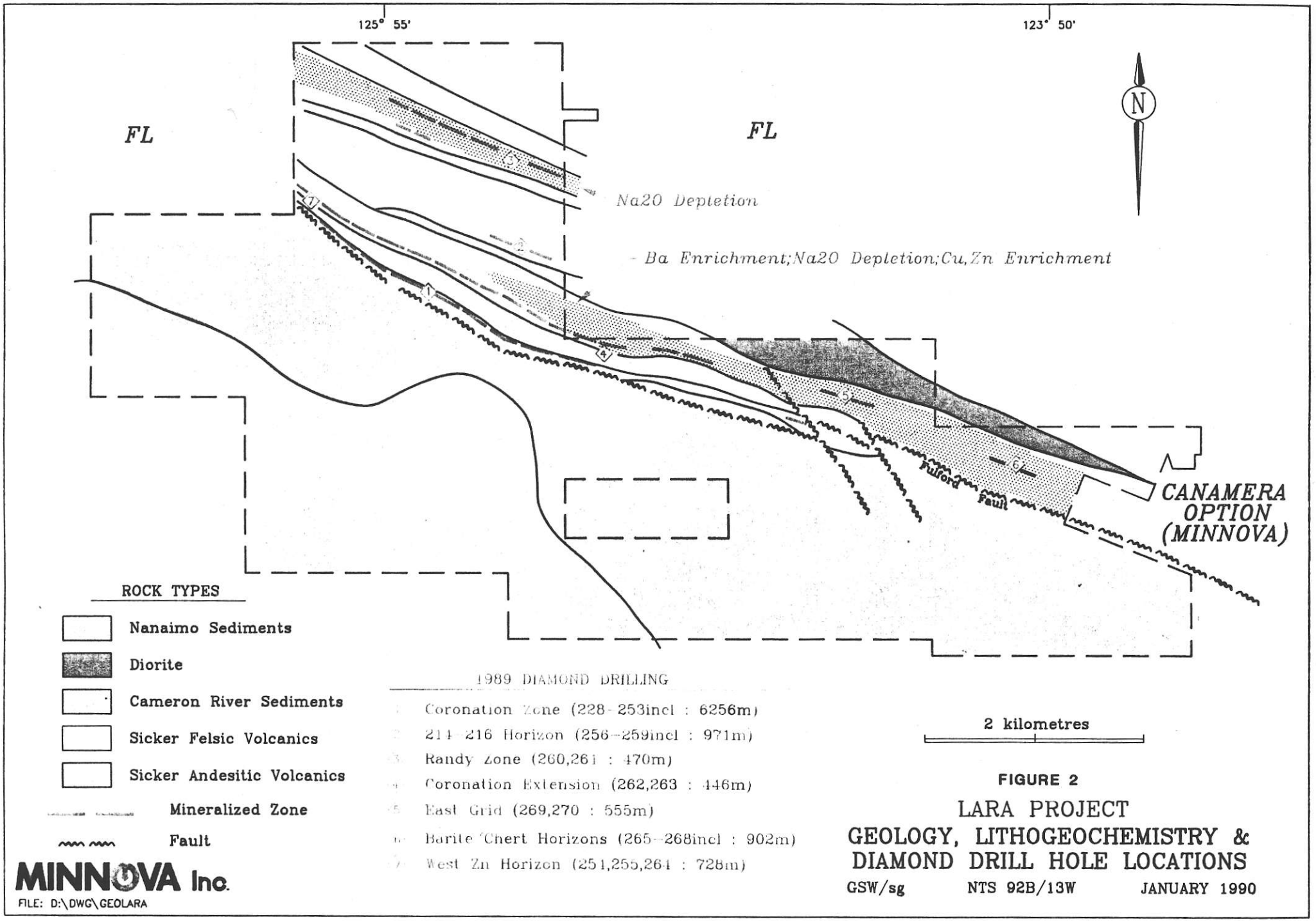
PROJECT EXPENDITURE SUMMARY
1989

PROJECT NAME: Lara PROJECT NO. 242

GEOLOGY				
	Salaries	$106,847		
	Travel Expenses	$777		
	Contract Payments	$42,588		
	Field Expenses	$47,530		
	Analyses	$9,458	$207,200	21%
GEOPHYSICS				
	Salaries	$0		
	Travel Expenses	$0		
	Contract Payments	$49,106		
	Field Expenses	$0	$49,106	5%
GEOCHEMISTRY				
	Salaries	$92		
	Travel Expenses	$0		
	Contract Payments	$0		
	Field Expenses	$0		
	Analyses	$3,104	$3,196	0%
DRILLING				
	Salaries	$72,625		
	Travel Expenses	$229		
	Contract Payments	$559,160		
	Field Expenses	$15,329		
	Analyses	$21,403	$668,745	68%
Line Cutting			$44,860	5%
Trenching			$0	0%
Hotels and Meals			$11,947	1%
Option Payments			$0	0%
Property Maintenance			$1,470	0%
Other			$0	0%
	TOTAL DIRECT EXPENDITURES		$986,524	

106,847
72,625
179,472
92
179,564

Salaries 179,564



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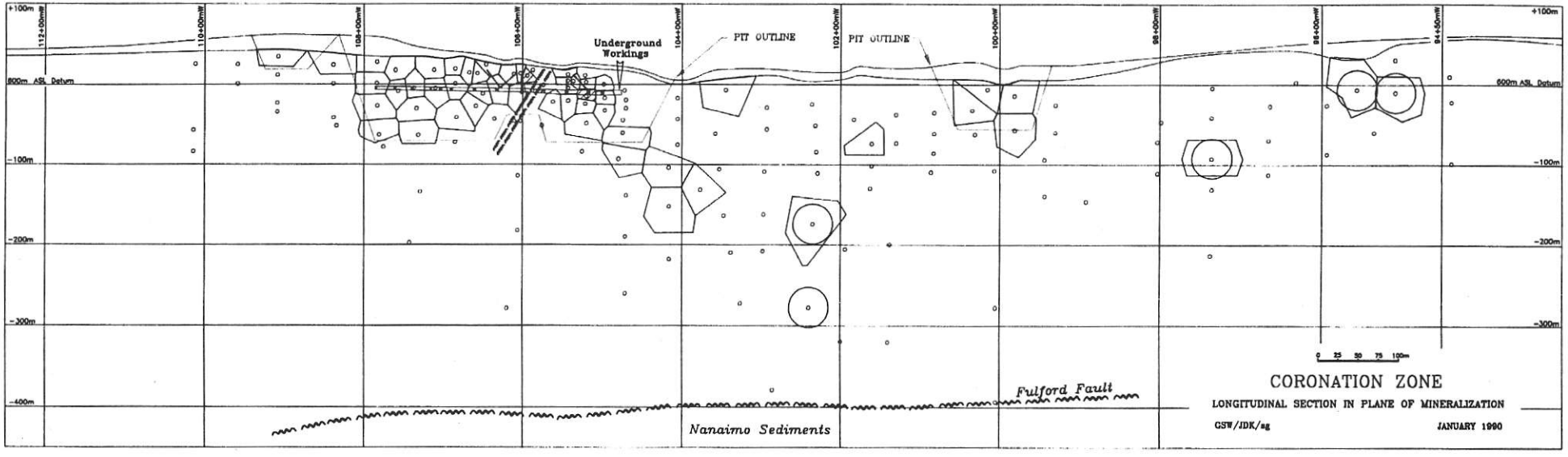
FILE: D:\DWG\GEOLARA

FIGURE 2

LARA PROJECT

GEOLOGY, LITHOGEOCHEMISTRY & DIAMOND DRILL HOLE LOCATIONS

GSW/sg NTS 92B/13W JANUARY 1990



Polygon Area of Influence-Minnova Mineral Inventory

Drill hole intercept

		Tonnes	Cu%	Pb%	Zn%	Ag g/T	Au g/T	NSR $/T
MINTEC	$20.00 NSR (within pit)	399,173	0.40	0.50	2.24	53.88	2.39	46.76
MINNOVA	$50.00 NSR (over 2.0m)	324,861	0.91	1.26	6.01	111.07	4.70	101.67

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