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**TOODOGGONE PROPERTY
MOOSE PROJECT**

**PROGRESS REPORT
July 31, 1985**

At the time of my visit to the property July 18, 1985, 11 BQ diamond drill holes, totalling 547 m (1796 ft) had been completed. Drilling commenced July 5, 1985 and was proceeding at an average of one hole per day. Two additional holes were planned for the silver-lead-zinc zone prior to moving the drill to the Porphyry Pearl copper-gold zone for at least two holes. It was planned that the program would terminate with possibly four holes at the northwest end of the silver-lead-zinc zone.

The initial phase of drilling is now complete, with 20 holes drilled totalling 915 m (3000 ft). Partial assays are available for the first 13 holes. Ten of these were drilled at -45° to -85° angles at N35E azimuths from six sites, over a 250 m distance, to test a N30W striking, 25-35 $^{\circ}$ southwest dipping zone containing variable silver-lead-zinc mineralization. A parallel zone, with an apparent strike length of 150 m, based on surface samples, is 150 m northeast of the apparent southeast end of the main zone. This was tested by one inclined hole.

The main zone, undoubtedly the cause of the significant silver-lead-zinc soil geochemical anomaly, is partially marked on surface by a kill zone at the base of slope and within the cover. The zone is up to 30 m wide and consists of a silicified agglomerate, with fragments of several cm size. Both the fragments and interstitial areas have been brecciated and further silicified. Several parallel, 0.5 to 2 m sections of vein material containing galena, sphalerite, pyrite and a grey silver mineral occur within the zone, as indicated both by drilling and surface exposures. The overall zone is conformable with enclosing rocks and has a degree of continuity, both along strike and to depth, which is somewhat unique for deposits in the Toodoggone camp.

Twenty-five grab samples from surface assayed between 5.0 and 193.0 ounces/ton silver. The best 11 values averaged 68.0 ounces/ton silver. Sampling of core was initially restricted to obvious mineralization in 0.5 to 2 m veins and brecciated sections within the zone. Highest silver values to date are from holes drilled in the northwest section below the area from which surface samples were collected. These include 16.91 oz/ton silver over 2.1 ft, and 14.0 oz/ton over 5.61 ft in Holes M-85-1 and -6, respectively. Hole M-85-6 includes a section assaying 75.7 oz/ton silver and 0.06 oz/ton gold.

Overall lead-zinc values approximate a combined 2%, with zinc values generally three times those of lead. There is no correlation between high silver values and lead content - the silver probably occurs as argentite.

Further down dip, potential has been tested by only a few holes; M-85-12 was drilled 100 m southwest of -3 and -4, and returned low silver lead and zinc values over a 78-foot core length (0.03 - 0.20 oz/ton silver, 0.02 - 0.41 % lead and 0.08 - 1.01 % zinc).

Low gold values occur locally within the main and parallel silver-lead-zinc zones. Holes M-85-7 and -8 returned values of 0.25 to 0.60 grams/tonne (250 to 600 ppb). Surface samples in this area ranged from 105 to 3150 ppb (0.003 to 0.10 oz/ton).

Principal gold potential is believed to be associated with the Porphyry Pearl zone on Moosehorn Creek. Two holes were drilled in the vicinity of a mineralized exposure in Moosehorn Creek south of holes previously drilled by Kidd Creek and Sumitomo. Grab samples from this exposure have returned values of 0.06 to 0.10 oz/ton gold with associated silver and base metals values. It is interesting to note that this creek exposure is at the margins of an IP chargeability high previously drilled by Kidd Creek, and is within the area proposed for drilling in my report of February 22nd, 1985.

Other areas of potential gold mineralization exist on the property and require further investigation. These include a hand trench in the northeast part of the property at higher elevations from which values of 1640 to 6400 ppb (0.05 to 0.18 oz/ton) silver have been obtained.

CONCLUSIONS

Silver-lead-zinc mineralization is contained within a zone at least 300 m in length and 30. m wide which has a degree of predictability between drill holes - both along strike and to depth. Further drilling will be required to adequately assess the potential of this zone.

Pending results of drilling on the Porphyry Pearl gold-copper zone, additional drilling may be required. Other zones of apparent gold mineralization in the northeast part of the property require further surface investigation.



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