

N.C. CARTER, Ph.D., PEng.

Consulting Geologist

1410 Wende Road
Victoria, B.C. V8P 3T5
(604) 477-0419

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Messrs W. Irwin and D. Harrison
Mono Gold Mines Inc.
790 - 885 Dunsmuir Street
Vancouver, B.C.
V6C 1N8

Dear Sirs:

Re: Harrison Lake Gold Property, Rhyolite Resources Inc.

As per your request, I have examined reports on the Harrison Lake Doctors Point gold prospect owned by Rhyolite Resources Inc. In my opinion, this prospect offers little of interest to Mono and would recommend that no further investigation be undertaken for reasons outlined below. The old Providence Mine property, on the other hand, may be of some interest.

Doctors Point

Known gold-bearing quartz veins on the property, while fairly continuous along strike, are generally less than 1 metre wide. These vein structures, mainly within altered sediments and volcanics, dip at shallow angles toward dioritic intrusive centres. Potential mining costs on such structures would be high.

Most drilling on the property has been concentrated on the Main Mineralized Zone in the central property area where greater widths (4.3 metre average) of gold-bearing mineralization is developed in a shallow east-dipping (25°) fault structure. The Canadian Geoscience Corporation report of April 9, 1984 includes a realistic estimate of 125,000 tons grading 0.063 oz/ton gold and 0.18 oz/ton silver. This zone may be amenable to open pit mining but the overall strip ratio is calculated to be 4 tons waste to 1 ton 'ore'.

Obviously, the overall grade represents a low unit value; compounding the problem are estimated recoveries of 80% and a high arsenic content in flotation concentrates. Cyanidation might lower arsenic content but increased costs would be incurred treating sulfide rich material.

Higher overall grades for this zone, in the order of 0.18 oz/ton gold, have been mentioned, but these appear to have been

extrapolated from values obtained from surface grab samples on veins in the vicinity of the North Millsite Zone 1 km northwest.

A number of geophysical and geochemical anomalies on the property have not been drill tested but in view of the known style and grades of mineralization they are not considered to be of interest.

Providence Mine

Several adits near the shore of Harrison Lake were investigated a few years ago by G.E. Ray of the Provincial Ministry of Mines. Ray's sampling results showed high base metal values and only low gold values which do not correspond with historic production records.

A telephone conversation with Dr. Ray elicited the information that the main workings may be higher up than those studied by him and that the property might be worth a look.

Significantly, this property was not worked during the Harrison Lake 'boom' of 1982-1984 and it may be that the Crown granted claims are held in an estate or by an inheritor who has an unrealistic impression as to their actual worth.



N.C. Carter