

April 21, 2016

Notes re Possible Exploratory Drilling – Prosperity-Porter Idaho-Silverado Property

Two known Ag-bearing vein systems occur on opposite sides of Mt. Rainey near Stewart. The Silverado veins, on the northwest or “town side” of the mountain, are separated from the Prosperity-Porter Idaho veins on the southeast side by the intervening icefield capping Mount Rainey.

The two vein systems, 2 kilometres apart, are believed to be related to the north- to northwest-striking Silverado Fault, most of which is obscured by the icefield. Because of the difficult terrain adjacent to the icefield, recent proposals to explore the fault have involved drilling from an underground heading connecting the two vein systems.

All of the historic production came from the Prosperity vein and Porter Idaho ‘D’ vein hosts most of the documented resources. The indicated, inferred and conceptual resource amounts to a little less than 1 million tons grading 18 oz/ton Ag (800,000 tonnes @ 600 g/t) or a contained 16 million oz.

Accordingly, expanding this resource is a priority and it may be possible to test this potential by surface drilling adjacent to the southwest margin of the icefield.

The potential northerly extension of D Vein, identified by Teck in 1985, is immediately north of a snowfield 850 metres north of the D portal and 200 metres north of currently identified resources. Trench sampling yielded an average grade of 600 g/t Ag over a width of 3.7 metres; three shallow surface holes returned no significant values, the best interval being 58 g/t Ag over a metre.

Described as a “spectacular” surface showing by Teck, it unfortunately is situated on a steep east facing slope. Assuming that this is indeed a continuation of the northerly-striking, moderately to steeply west-dipping D Vein, the topography is working against you. Nevertheless, it can reasonably be expected that the small snowfield has contracted markedly or perhaps has disappeared. Six additional inclined holes, for a total of 500 metres of drilling, to further test this showing were recommended by the writer in 2012. Assuming some success, an additional 500 metres might be warranted.

The writer suggests that the Silverado Fault structure be tested by six inclined holes, each 300 metres in length and consisting of two holes from three setups 100 metres apart near the southwestern margin of the Mt. Rainey icecap.

This 2800 metre (say 10,000 ft.) drill program could be further refined by an onsite inspection when conditions permit.

