

LOON PROPERTY SUMMARY

The Loon 1-9 claims (152 units) were staked in July and August of 1988 to cover an area of gold and silver bearing rock outcrops northeast of Uduk Lake, B.C. The property occurs on the south side of Ootsa Lake at latitude $53^{\circ} 38'N$ and longitude $125^{\circ} 59'W$ just east of Tweedsmuir Park. The closest town is Burns Lake which is 70 kilometres to the north. Access to the claims is by fixed-wing aircraft to Loon Lake. Major logging roads pass within 7 kilometres of the claims and tie into a ferry (operated by West Fraser Logging) across Ootsa Lake.

Property geology consists of predominantly volcanic lithologies ranging in age from late Triassic through Miocene. The hostrock for mineralization is a rhyolitic to dacitic member of the Eocene Ootsa Lake Formation. This unit is subaerial in origin consisting of both pyroclastic and flow sequences (possibly ignimbrites) associated with dome complexes within a collapsed cauldrea setting. Silver and gold mineralization is associated with multi-stage epithermal quartz veins, vugs, breccias and kaolinized wallrocks adjacent to and within major shear-fault zones. An initial random chip sample of silicified outcrop and subcrop encountered up to 26 oz/t. (898.6 ppm) silver and 0.082 oz/t. (2805 ppb) gold in the vicinity of TR88-1. Another chip sample further west near TR88-5 yielded an assay of 3.19 oz/t. (109.2 ppm) silver and 0.155 oz/t. (5320 ppb) gold. Followup trench sampling was generally disappointing with the exception of TR88-4. This trench ran 0.049 oz/t. (1688 ppb) gold and 0.41 oz/t. (14 ppm) silver over 3.0 meters.

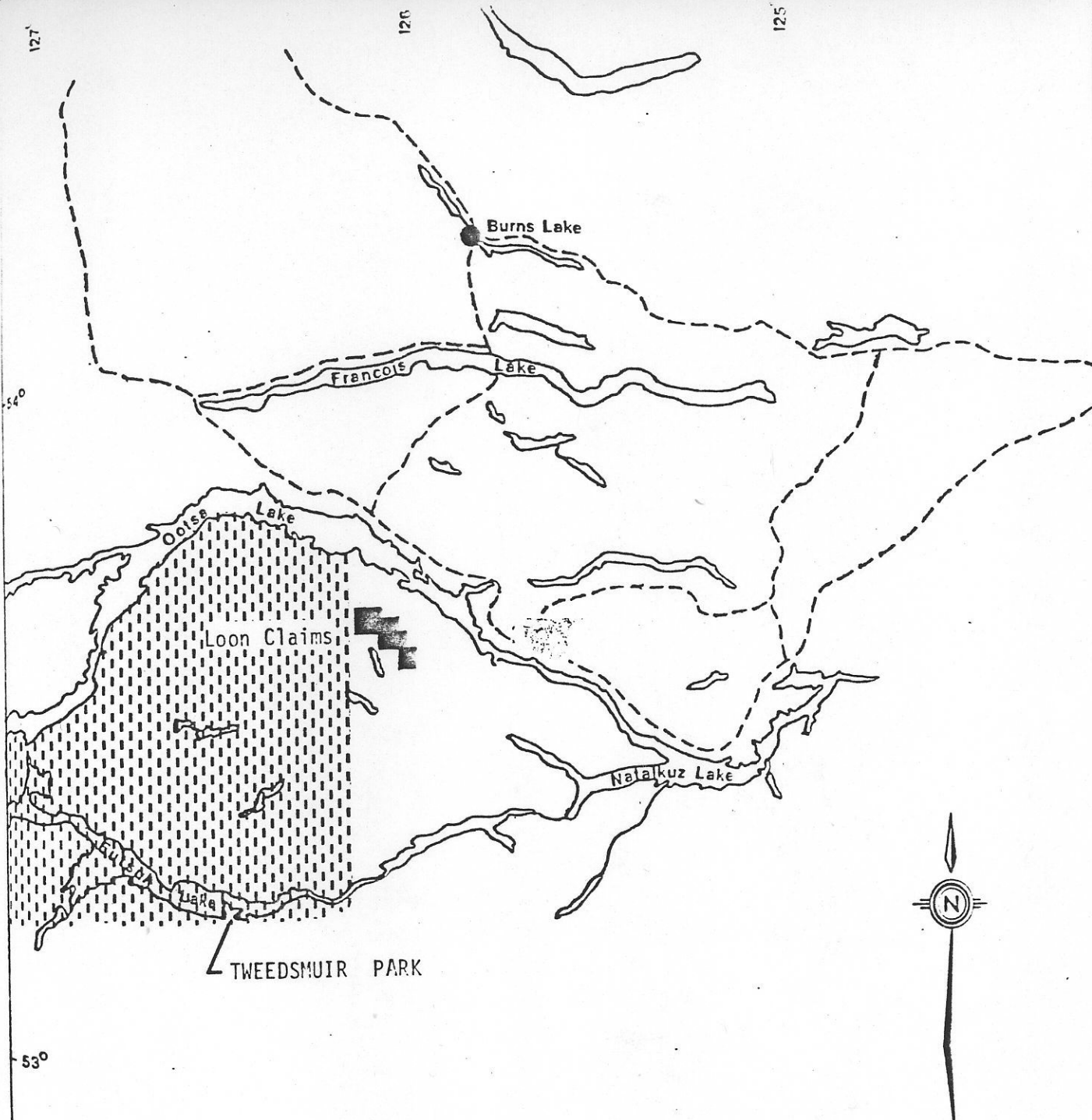
Soil geochemistry is fairly successful at locating mineralization however the glacial till suppresses the

response considerably. Molybdenum, silver and gold all show significant increases over both the trenched areas. Arsenic is somewhat erratic although it is anomalous over the trench TR88-4 area. Our 1989 soil sampling outlined a new target which has not had any followup. The area is just off the toe of Boot Lake and has silver values up to 4.7 ppm. Moly and arsenic also respond well however gold only reaches 9 ppb. Examination of this area should be a top priority.

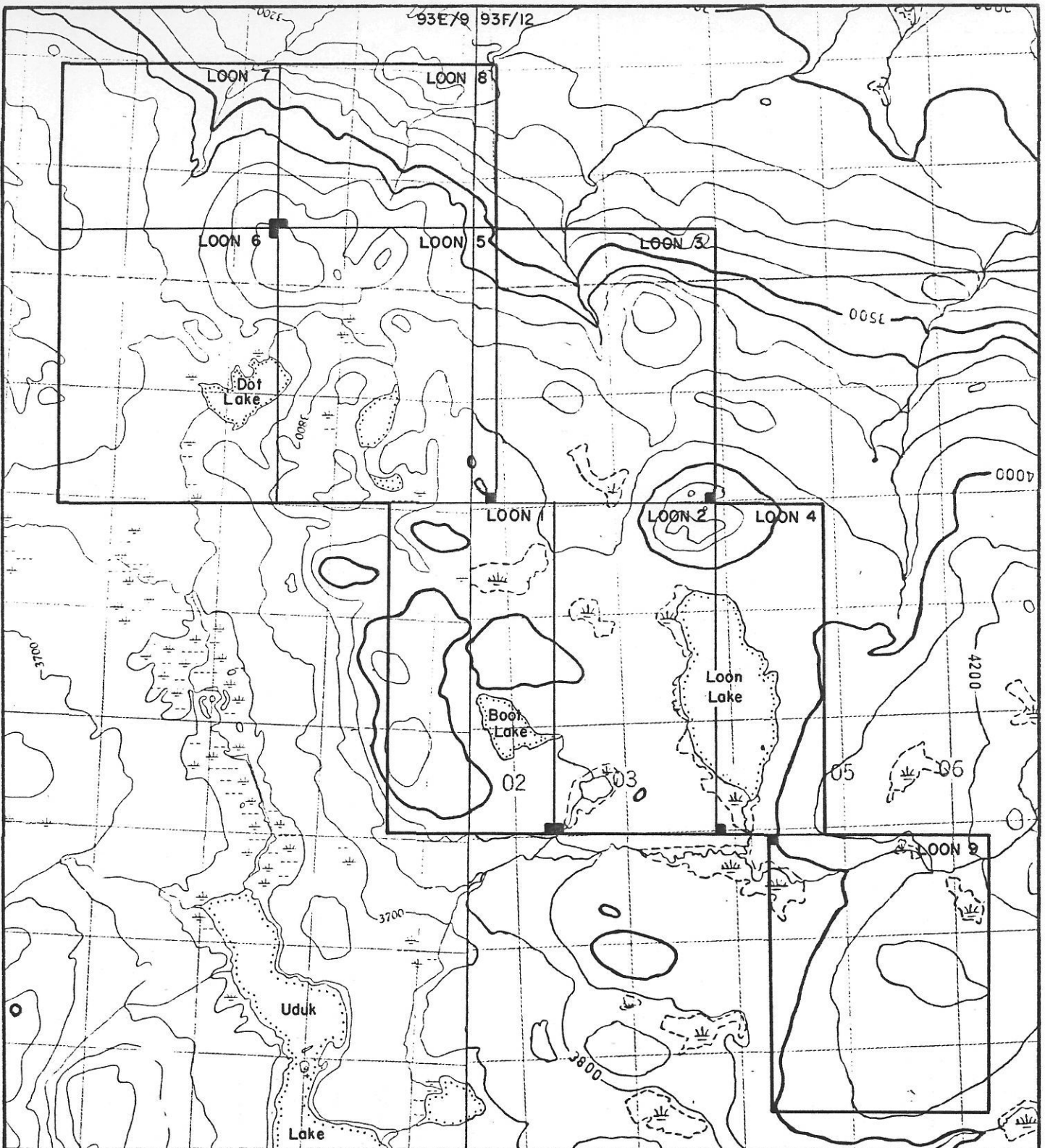
Geophysical surveys are not effective at locating the epithermal mineralization directly due to the low sulphides present. The VLF-EM is probably detecting a series of major fault zones while the EM-16R (resistivity) is responding to the strong silicification. Only a single test line of resistivity was done however the anomalies coincide exactly with the known areas of epithermal mineralization. Next to prospecting, this may be the most effective exploration technique in this area.

Airphoto interpretation outlines a number of major faults oriented primarily in a north-south direction. A possible cauldrea margin occurs along the lower portion of photo BC7736-114.

The LOON precious metal mineralization appears to occur in a typical Nevada style volcanic-hosted epithermal setting. Although to date grades are marginal to subeconomic, one should bear in mind that the upper part of the epithermal system is commonly low in precious metals. In addition, the presence of glacial till cover hampers exposure and geochemical response over much of the area.



MINGOLD RESOURCES INC.		
VANCOUVER OFFICE		
OOTSA LAKE PROJECT		
Scale: 1:1,000,000	Date: Nov. 1988	NTS: 93E&F
		Figure No. 2



MINGOLD RESOURCES INC.

VANCOUVER OFFICE

**LOON CLAIMS
CLAIM MAP**

93E/9, 93F/12

OMINECA M.D.

DRAWN BY: K.T.

DATE: MAR. 1990

APPROVED BY:

REVISED BY:

DATE:

SCALE: 1:50,000

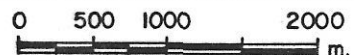
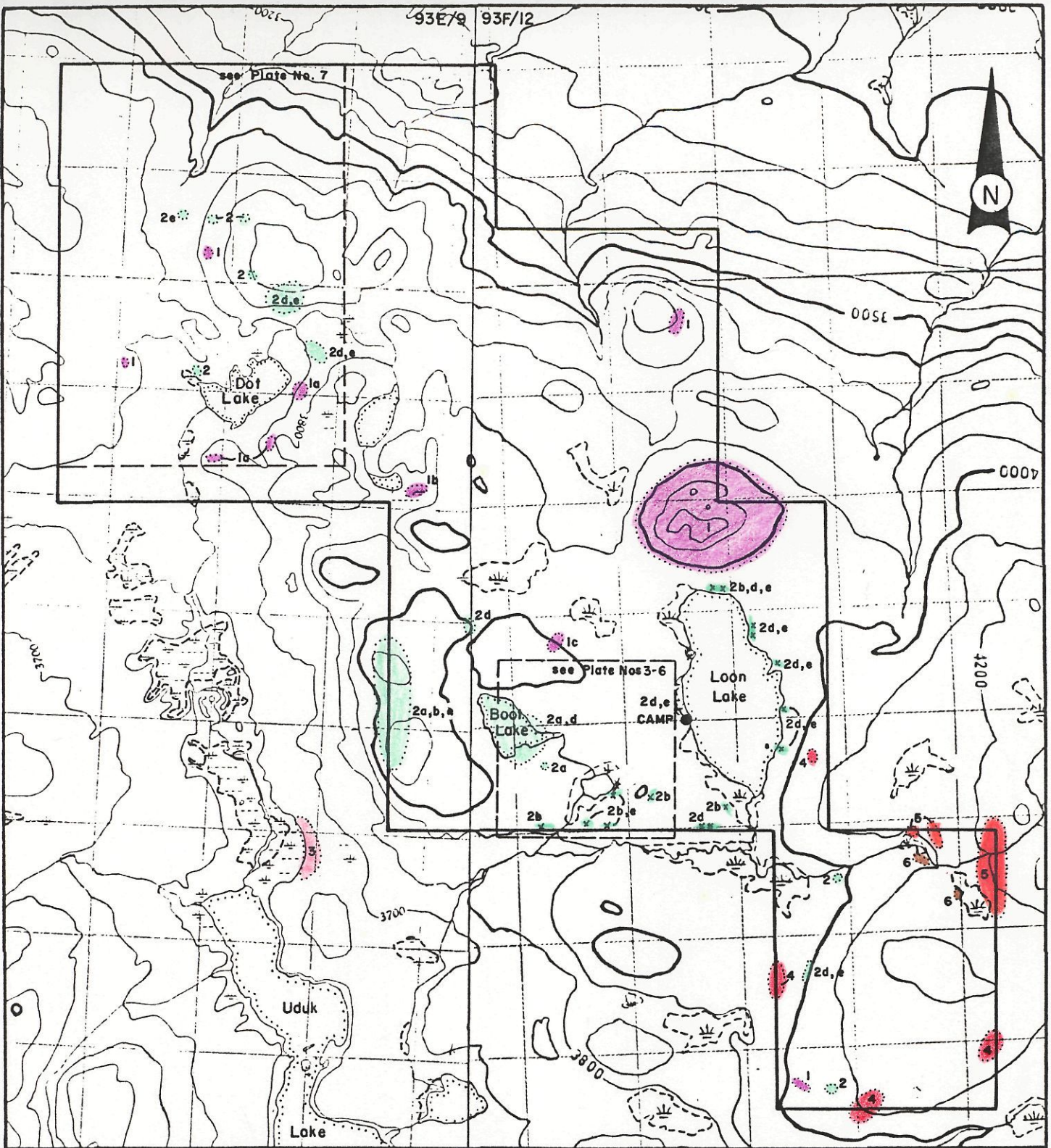


PLATE NO.

1



LEGEND

- | | |
|--|--|
| <p>1 ENDAKO GP BASALT
 1a: perlite (maybe 2)
 1b: pyroclastic flow
 1c: amygdaloidal</p> <p>2 OOTSA LAKE GP. RHYODAC.
 2a: bedded tuff
 2b: argillically altered
 2c: propylitized
 2d: silicified
 2e: brecciated</p> <p>3 Quartz-eye porphyry</p> | <p>4 ANDESITE</p> <p>5 QZ. MONZONITE</p> <p>6 ARGILL., CONGL.</p> <p>x Float</p> <p>⋯ Outcrop</p> |
|--|--|

MINGOLD RESOURCES INC.

VANCOUVER OFFICE

**LOON CLAIMS
 GEOLOGY**

93E/9, 93F/12

OMINECA M.D.

DRAWN BY: K.T.

DATE: MAR. 1990

APPROVED BY:

REVISED BY:

DATE:

SCALE: 1:50,000

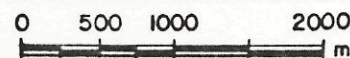


PLATE NO.
2

AIR PHOTO INTERPRETATION

DEPRESSION

LOON LAKE

LAKE

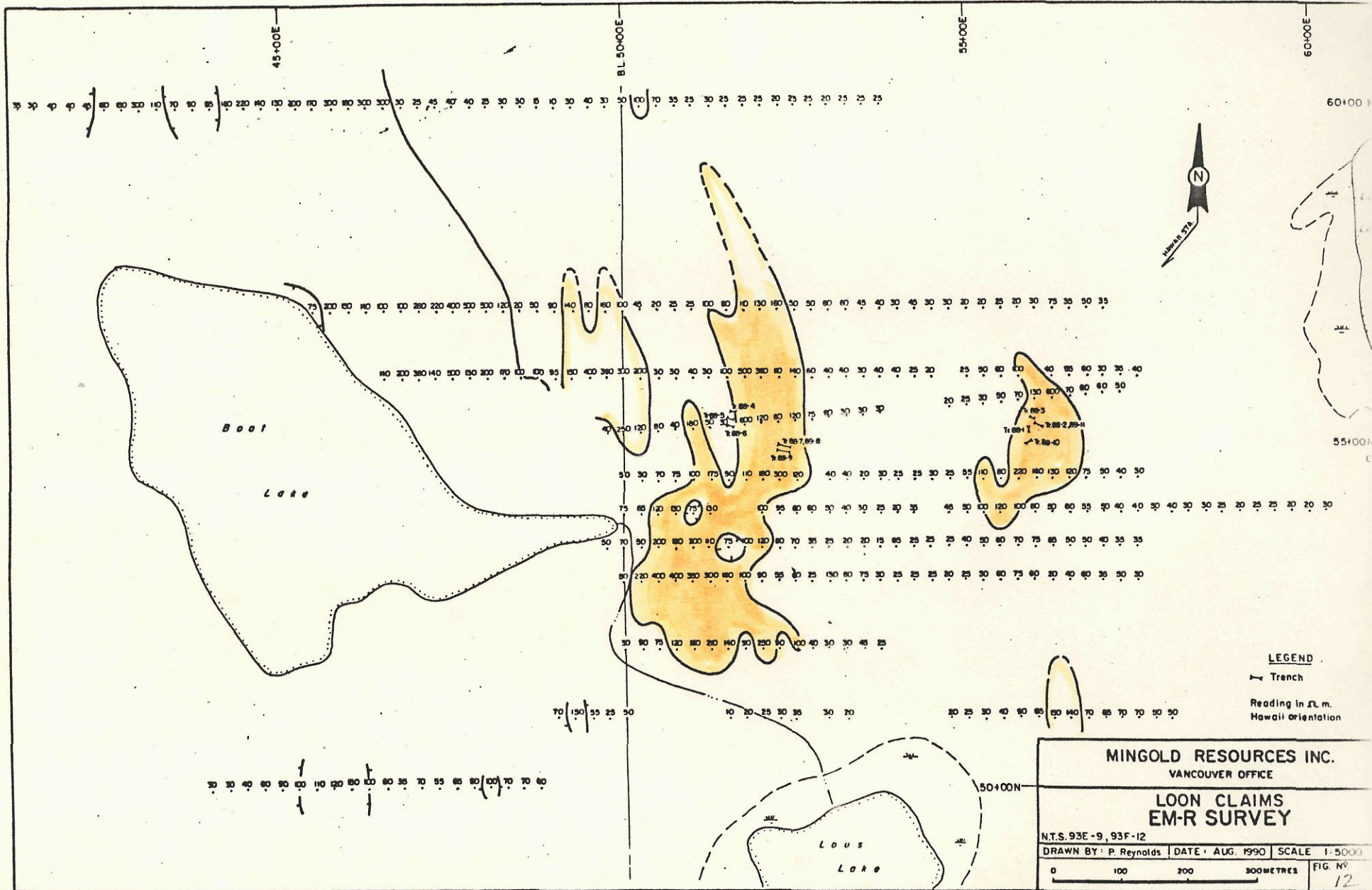
Possible Caudera's Margin

- ↗ Glacial grooving
- Fault
- ≡ Swamp

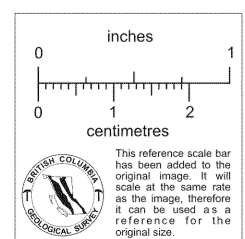
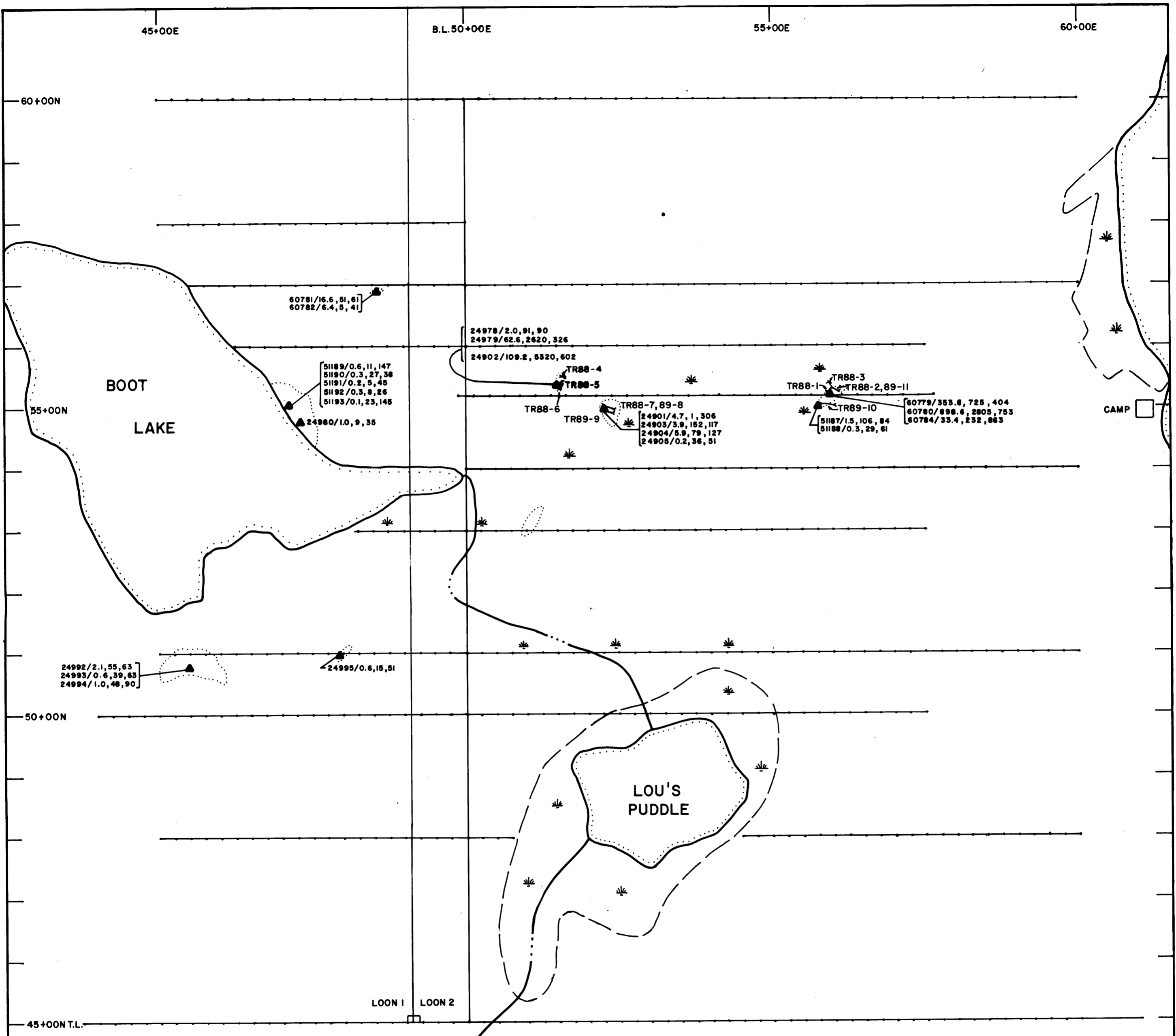
BC7736-114

BC7736





CHONG



LEGEND

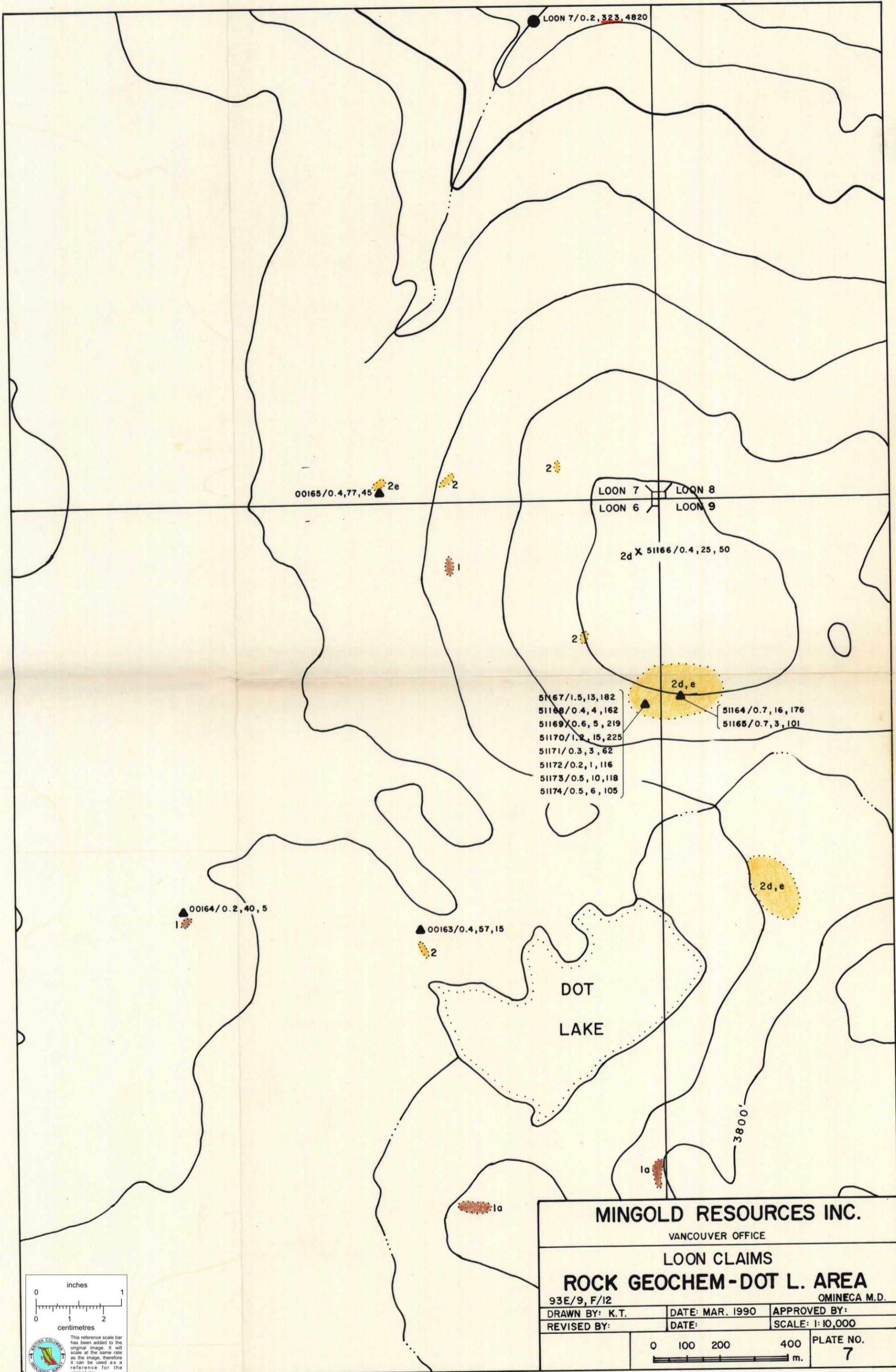
- STATIONS
- OUTCROP
- ☼ SWAMP
- TRENCH

60780/898.6, 2805, 753

SAMPLE NO. SILVER (ppm) GOLD (ppb) ARSENIC (ppm)

NOTE: SEE 1:50 MAPS FOR TRENCH SAMPLING

MINGOLD RESOURCES INC.		
VANCOUVER OFFICE		
LOON CLAIMS ROCK GEOCHEM		
OMINECA M.D.		
93F/12	DATE: MAR. 1990	APPROVED BY:
DRAWN BY: K.T.	DATE:	SCALE: 1:5,000
REVISED BY:		
0 50 100 200 m.		PLATE NO. 6



51167/1.5, 13, 182
 51168/0.4, 4, 162
 51169/0.6, 5, 219
 51170/1.2, 15, 225
 51171/0.3, 3, 62
 51172/0.2, 1, 116
 51173/0.5, 10, 118
 51174/0.5, 6, 105

51164/0.7, 16, 176
 51165/0.7, 3, 101

MINGOLD RESOURCES INC.

VANCOUVER OFFICE

LOON CLAIMS

ROCK GEOCHEM-DOT L. AREA

93E/9, F/12

OMINECA M.D.

DRAWN BY: K.T.

DATE: MAR. 1990

APPROVED BY:

REVISED BY:

DATE:

SCALE: 1: 10,000

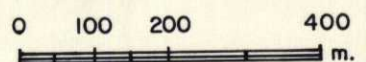
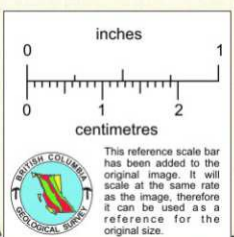
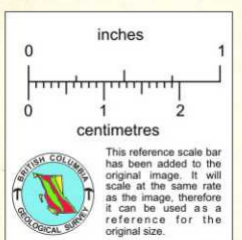
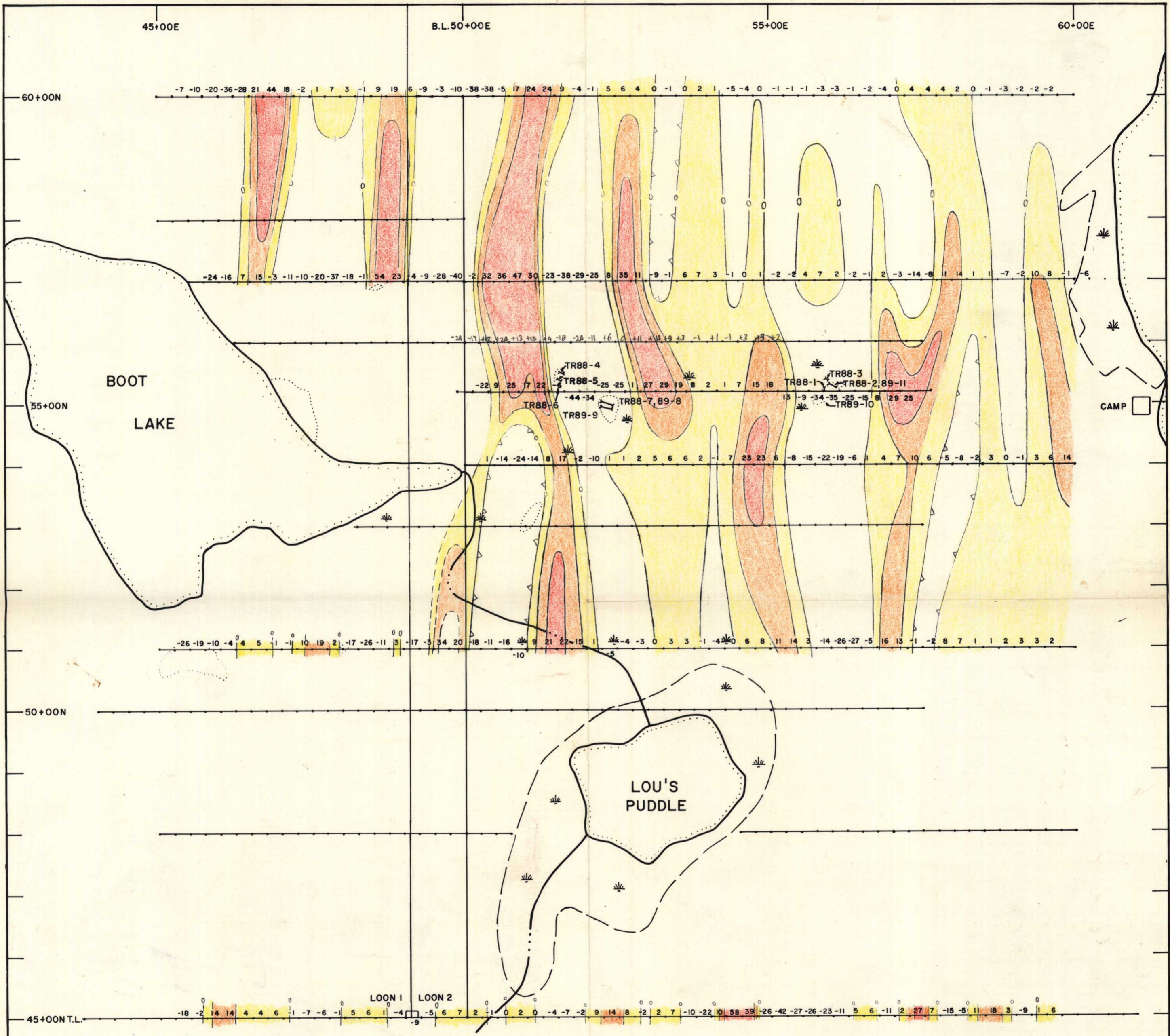


PLATE NO.
7





- LEGEND**
- STATIONS
 - OUTCROP
 - SWAMP
 - TRENCH

MINGOLD RESOURCES INC.		
VANCOUVER OFFICE		
LOON CLAIMS		
FRASER-FILTERED VLF-EM		
93F/12		OMINECA M.D.
DRAWN BY: K.T.	DATE: MAR. 1990	APPROVED BY:
REVISED BY:	DATE:	SCALE: 1:5,000
		PLATE NO. 11