882311 TFS → Del Norte

(from Teuton)

Teuton Resources Corp. Properties

Del Norte

Summary

The Del Norte property covers a 6 mile long belt hosting multiple mineralized showings. Three gold-bearing streams cut across the property, one of which supported a placer mining operation in the 1930's.

Prospecting, mapping and drilling during the period 2002-2003 has concentrated on a 7,200 ft. long trend connecting the Kosciuszko Zone ("K" Zone), the LG Vein, and the LG Vein Extension. Similar mineralogy and stratigraphic location indicates that all of three of these are related structures, although talus and ice obscure continuity in places.

Gold and silver bearing quartz-sulfide mineralization has been found over a vertical range of 1,000 feet, from the upper reaches of the Kosciuszko Zone to the bottom of Hole DN03-7 within the LG Vein. Recent petrographic studies of LG Vein material indicate the mineralization is mesothermal (mesothermal structures have been known to extend to depths of 6,000 ft. or greater).

During 2003 a new zone, the Horatio, was discovered by prospecting. Assays from float, grab and chip samples returned values to 3.4 oz/ton gold from massive sulfide type mineralizaton.

The property is currently in the second year of an option to Lateegra Resources Corp. ("LEG"). Lateegra can earn a 50% interest in the property from Teuton by spending $3,000,000 over five years. Teuton is the operator of a major drill program planned for the 2004 field season.

Location

The Del Norte property is located approximately 17 miles east of Stewart , British Columbia , in the upper drainage area of the White River system. Nearest road access is about five miles to the east, at the western end of a network of logging roads connecting to Highway 37.

History and Property Status

Gold and gold-copper showings were first discovered along Del Norte Creek in the 1930's, but little development work was carried out due to the remoteness of the area at the time. Nelson Creek , in the northern portion of the property, was reportedly the subject of a placer mining operation by Cominco during the same period, but there are no public records regarding production. The LG Vein and Kosciuszko Zone are on slopes overlooking Nelson Creek and may be one of the sources of the gold in that stream.

Teuton staked the Del Norte property in the mid 1980's. After Hole #109 triggered a claimstaking rush around Eskay Creek in 1989, companies in the Prime Equities stable optioned the Del Norte along with several other Teuton properties thought to have potential for Eskay Creek type deposits. Goodgold Resources Ltd., a Prime Equities company managed by Murray Pezim and Chet Idziszek, spent approximately $600,000 on the Del Norte from 1990-92. During this period the Humdinger, O, Grizzly, NMG and Crackle showings were located, among others. After the property was returned to Teuton, small programs were carried out from time to time resulting in the discovery of more showings. Due to low gold prices, the property was dormant for most of the late 1990's.

The property became active again in 2002 after the discovery of the Kosziuszko Zone.

The property is owned 100% by Teuton Resources Corp. Under the terms of an option agreement entered into in 2003, Lateegra Resources Corp. can earn a 50% interest in the property over a five

year period by spending a total of $3,000,000 and making various shares and cash option payments. After Lateegra earns its interest, further work will be by way of a joint venture, with each of Teuton and Lateegra owning 50%.

The option agreement with Lateegra designates Teuton as the operator.

Mineralized Showings

Kosciuszko Zone-LG Vein

The Kosciuszko Zone was discovered in 2002 at the edge of a wasting icefield. It strikes roughly north-northwest and is exposed for about 50 metres. Continuity to the north is obscured by a snowfield and to the south by precipitous terrain. Observed widths vary from 3 to 10 metres.

A 2002 chip sample across the northern end of the zone returned the following results:

Interval (metres)	Width (metres)	Gold (oz/ton)	Silver (oz/ton)	Gold Equiv. * (oz/ton)
0-2	2.0	0.176	16.5	0.412
2-4	2.0	0.052	1.2	0.069
4-6	2.0	0.124	2.4	0.158
6-8	2.0	0.277	45.1	0.921
8-10	2.0	0.266	26.9	0.650
0-10	**10.0**	**0.179**	**18.4**	**0.442**
*Based on 70-1 ratio between current gold and silver prices.				

Three holes drilled from a single station about 12m south of the chip sample, returned the following:

Drill Hole	Interval (metres)	Length (metres)	Length (feet)	Gold (oz/ton)	Silver (oz/ton)	Gold Equiv. * (oz/ton)
2002-1	11.9-43.0	31.1	101.8	0.104	5.61	**0.185**
including	36.0-43.0	7.0	23.0	0.133	15.96	**0.361**
2002-2	19.8-52.7	32.9	107.9	0.134	5.22	**0.208**
including	33.0-40.0	7.0	23.0	0.210	13.18	**0.398**
2002-3	1.3-24.7	23.4	76.8	0.223	8.09	**0.339**
including	16.0-24.7	8.7	28.5	0.219	14.82	**0.431**
*Based on 70-1 ratio between current gold and silver prices.						

The Kosciuszko Zone is a quartz-carbonate-sulfide cemented breccia hosted in argillite at the base of the Salmon River Formation. A felsite dike marks the eastern edge of the zone. Mineralization includes pyrite, sphalerite, galena, tetrahedrite along with traces of arsenopyrite and realgar. Electrum (native gold-silver) has been observed in petrographic samples, forming mostly rounded grains ranging in size from 0.01 to 0.1mm in diameter.

Beginning about 1,500 feet NNW of the Kosciuszko Zone, across an intervening snowfield, an 1,800 foot long exposure of the LG Vein has been tested by both surface sampling and diamond drilling **(see map)**.

The first seven holes drilled into the LG Vein structure (in 2003) all encountered significant gold-silver values. The first four holes were drilled from Pad "F", located at approximately the center of the 1,800 foot long surface exposure. The next three holes were drilled from Pad "A", some 700 ft. to the northwest. These latter holes intersected excellent gold-silver values at depths to 475 feet down hole.

Complete results are as follows:

Drill	From	To Interval		Silver	Gold	Gold Equiv.* (oz/ton)
Hole	(feet)	(feet)	(feet)	(oz/ton)	(oz/ton)	
DN03-1	12.2	20.0	7.8	16.48	0.315	**0.529**
DN03-2	18.4	28.4	10.0	15.90	0.278	**0.398**
DN03-3	41.5	47.6	6.1	7.06	0.406	**0.498**
DN03-4	94.1	103.1	9.0	13.01	0.093	**0.262**
DN03-5	222.4	226.0	3.6	76.41	0.416	**1.408**
DN03-6	398.6	401.9	3.3	34.33	0.451	**0.897**
DN03-7	475.7	480.6	4.9	39.26	0.337	**0.847**
* Based on 77:1 ratio between current gold and silver prices						

Holes DN 03-8 & 9 drilled from Pad "G" intersected the LG Vein but gold-silver values were uneconomic. The next hole was not completed due to freeze-up.

Prospecting to the north-northwest of the LG Vein in 2003 encountered similar vein material both in float and outcrop on the other side of an icefield, along strike. This area, now called the LG Vein Extension gives a 7,200 ft. long trend beginning from the Kosziuszko Zone.

In the other direction, approximately 5,000 feet south of the Kosziuszko Zone, historical records show similar gold-silver vein material in the NMG Vein area, also situated at the sediment, volcanic contact. This area is marked by an intense, highly anomalous silver anomaly in soils and will be tested by drilling in 2004.

Horatio Zone

Prospecting in 2003 led to the discovery of gold and silver bearing massive sulfide mineralization southwest of the LG Vein in an area now known as the Horatio Zone. The mineralization occurs in sub-parallel shears with observed widths up to 1.0 metre and replacement bodies with widths up to 3.0 metres. Continuity between outcrops is obscured by overburden.

The table below contains gold and silver assay data from the massive sulfide boulders that led to the discovery, and also from several grab and chip samples taken from various outcrops situated 100 to 150 metres above the boulders.

Sample No.	Sample Type	Lead (%)	Zinc (%)	Silver (oz/ton)	Gold (oz/ton)
203	Float	0.74	4.58	2.11	**0.910**
206	Float	0.67	>10.00	3.56	**0.985**
207	Float	0.75	>10.00	9.45	**0.946**
209	Float	>1.00	4.14	13.89	**0.101**
210	Float	0.57	7.20	7.67	**0.652**
211	Float	0.12	2.56	5.02	**0.328**
214	Grab-Outcrop	0.74	4.87	36.43	**3.457**
215	Float	0.86	9.23	2.80	**0.588**
217	Chip-0.25 meters	0.99	5.54	2.34	**0.197**
218	Chip-0.60 meters	0.28	0.15	0.55	**0.294**
219	Grab-Outcrop	>1.00	>10.00	5.31	**0.205**
220	Chip-1.00 meter	0.83	0.79	1.06	**0.031**
221	Chip-0.90 meters	>1.00	1.23	4.32	**0.230**
226	Grab-Outcrop	>1.00	9.14	9.19	**0.273**
214	Float	>1.00	>10.00	6.77	**0.568**

Trenching, geological mapping and geophysical surveys are planned for the Horatio Zone in 2004, preparatory to testing by drilling.

Other Zones

A number of other zones have been previously explored in the Bullion and Hardpan Creek areas, 0.5 to 1.5 km south of the Kosciuszko zone. One of these, the "O" zone is exposed over 400 feet and has been partially tested by 11 trenches and four core holes. Values in trenches range to 16.4 feet grading 0.307 oz/t gold and 0.23% copper; values in holes to 50 feet grading 0.107 oz/t and 0.410% copper.

Trench results from the Humdinger zone have returned values up to 0.388 oz/t gold and 2.05 oz/t silver across 19.7 ft. Two holes tested the Humdinger zone at shallow depths but did not intersect economic mineralization. A reviewing geologist has stated these holes were probably incorrectly sited to intersect the zone.

The Hardpan Creek portion of the Del Norte property also hosts lead-zinc mineralization in structures oriented at right angles to the gold-silver-copper zones. Trenching in the Grizzly zone exposed a 49.2 foot width of galena-sphalerite mineralization assaying 3.74% lead and 4.35% zinc.

Approximately 1km to the south of the Hardpan Creek area, Teuton prospectors discovered an area with massive sulfide float boulders ranging in size to 1.8m and carrying gold values up to 2.0 oz/ton. The source of these boulders has not yet been found.