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**EXPLORE B.C.
MINERAL EXPLORATION INCENTIVE PROGRAM
SUMMARY REPORT FOR
CHILCOTIN RECONNAISSANCE PROGRAM**

NST 93C, E, F, G

Owned by

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by

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SUMMARY

The Chilcotin Reconnaissance project was initiated in 1992 to explore for bulk tonnage volcanic-hosted gold deposits in the Chilcotin Plateau region of central British Columbia. A region of northwest trending felsic volcanic rocks extending from Lillooet, B.C. to Houston, B.C. was selected as the primary target for this exploration program. During 1993, 1750 square kilometres of prospective terrane in the Baezaeko River region was explored. To date, 2500 km² of the region has been sampled for stream sediments and some 100 line-kilometres of airborne geophysical surveys flown over anomalous regions.

This exploration led to the staking of more than 14,000 hectares in four claim blocks. Detailed exploration was subsequently performed on these claims.

Access to the exploration areas is predominantly by existing roads. Helicopter access is used in remote areas. The program is funded by Phelps Dodge Corporation of Canada, Limited, based in Toronto, Ontario. The 1994 work program is scheduled to begin July 15 with completion by August 31, 1994. It will take an estimated 450 man days to complete the 3,700 km² area survey. Some 1,500 samples will be processed and analyzed by B.C. assayers. An estimated 200 line-kilometres of airborne geophysics will be flown over anomalous regions.

INTRODUCTION

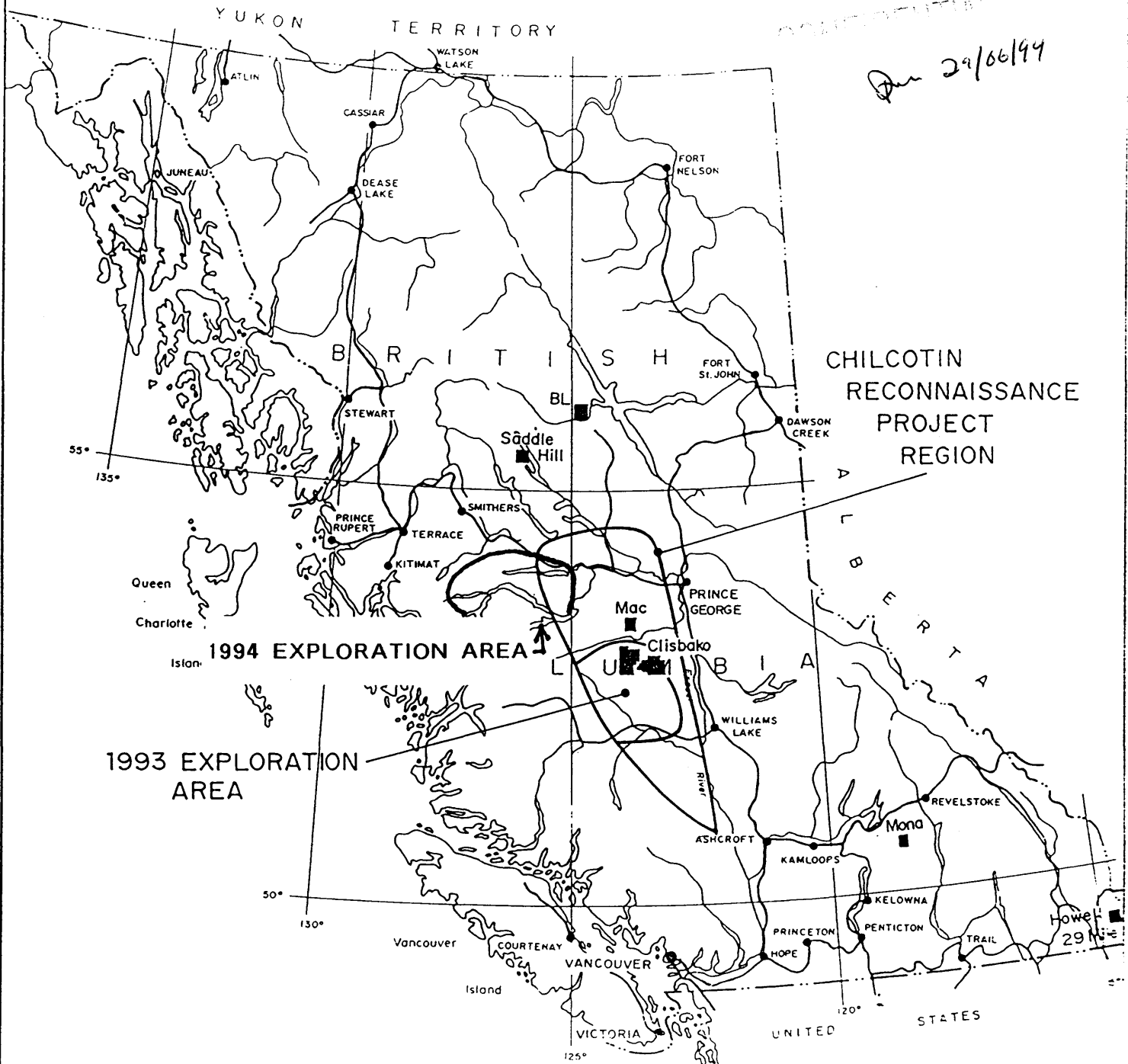
This report summarizes the Chilcotin Reconnaissance project which was initiated in 1992 to explore for bulk tonnage volcanic-hosted gold deposits. Approximately 1,750 square kilometres of prospective terrane was explored in 1993 for a project total of 2,500 square kilometres. The Chilcotin work has evolved into an effective and low cost exploration program. The project provides valuable information in the form of regional geochemical survey data and regional airborne magnetometer surveys.

LOCATION AND ACCESS

The Chilcotin Reconnaissance project area encompasses some 20,000 square kilometres in the Interior Plateau region of central British Columbia. The triangle-shaped region extends from the junction of the Yalakom and Fraser Rivers near Lillooet, B.C. northwest to the Ootsa Lake-Nechako River drainage basin (Figure 1).

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CHILCOTIN RECONNAISSANCE PROJECT		
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During 1993 some 1,750 square kilometres was explored in the Baezaeko River region. Access to the northern portion of the 1993 exploration area is by a network of logging roads and trails west and south from Nazko, B.C. The southern area is accessed by logging roads, trails and seismic lines leading out of Alexis Creek, B.C. Helicopter access is required for the western and northern portions of the region.

The 1994 exploration area encompasses 1,500 square kilometres over two target areas; Whitesail Lake area and Entiako River area. Access will be by logging road, boat and helicopter.

PHYSIOGRAPHY

The Baezaeko River region encompasses an area in the Interior Plateau between 4,000 and 5,500 feet elevation. The region is generally flat with large areas of open meadow traversed by low energy streams and marshes. Glacial moraines and eskers are evident throughout the plateau. Tertiary volcanism produced several topographic high features throughout the region. Vegetation varies from grassy meadows in the lowlands to spruce and pine on the eskers and uplands. Bedrock exposure is limited to deeply incised stream beds and steep topographic highs.

HISTORY

The Chilcotin region has undergone various levels of exploration since the 1880's. More recently, the Black Dome Mine was discovered by Barrier Reef Resources in 1979. In 1980 the B.C. Geological Survey released Regional Geochemical Survey data for mapsheet 920. Also in 1980 E & B Exploration was actively searching the belt for epithermal-style deposits concentrating on the Watson Bar property. From 1980 to 1988, Dome Exploration conducted regional reconnaissance throughout several mapsheets in the region. A major oil and gas exploration program was conducted by Canadian Hunter Exploration Ltd. from 1979 to 1983. Several deep (+ 10,000 feet) holes were drilled to test the underlying stratigraphy.

In the Clisbako-Mount Dent area, the first recorded exploration was conducted in 1985 by Rio Algom on the O'Boy claims. Property exploration focussed on a local area culminating in a drill program conducted in 1987. Eighty-Eight Resources Ltd. staked the Clisbako claims in 1989 and optioned the property to Minnova Inc. in 1991. Over their two-year option period, Minnova spent more than one million dollars conducting geological and geophysical surveys, trenching and diamond drilling. Both the O'Boy and Clisbako properties were located as a result of company sponsored regional reconnaissance programs, as there is no government data. During 1992 Phelps Dodge

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conducted regional reconnaissance sampling in the Big Bar and Clisbako areas. The B.C.G.S. is presently mapping in the north portion of the Chilcotin Plateau.

REGIONAL GEOLOGY

The Chilcotin Reconnaissance project is centrally located in the Interior Plateau of British Columbia. The plateau covers some 120,000 square kilometres of area between the Coast Mountains to the west and the Quesnel Highlands to the east.

The project area lies within the Intermontane Belt which is locally comprised of Stikinia, Cache Creek and Quesnellia Terranes. These terranes are composed of late Paleozoic to mid-Mesozoic marine volcanic and sedimentary rocks and mid-Mesozoic to late Tertiary marine and non-marine sedimentary and volcanic rocks. Two large scale transcurrent faults bound the plateau to the northeast and southwest. A third fault has been inferred from oil exploration data to bisect the plateau. The Anahim Volcanic Belt crosses the Chilcotin Plateau in an east-west direction and is comprised of a series of alkaline and peralkaline volcanoes of Miocene to Quaternary age which young from west to east. Figure 3 is a map of the regional geology of the Chilcotin plateau.

The oldest rocks exposed in the Chilcotin Reconnaissance project are Pennsylvanian to Permian age Cache Creek Group sedimentary rocks. These are overlain by Upper Triassic to Lower Jurassic Takla Group andesite and basalt flows, tuffs and breccia and associated clastic rocks. Argillite and conglomerate sedimentary rock and andesite flows and breccia of the Middle Jurassic Hazelton Group occur predominantly in the northern portion of the Chilcotin Plateau. This sequence is unconformably overlain by Upper Cretaceous, Paleocene, Eocene and possibly Oligocene rocks of the Ootsa Lake Group. This group is comprised of rhyolitic to dacitic tuff, flows and breccias with minor amounts of andesite, basalt, conglomerate and tuffaceous shale. A sequence of Eocene to Miocene andesite, dacite and rhyolite volcanic rocks of the Endako Group and Pliocene to Pleistocene Chilcotin group vesicular andesite and basalt flows, breccias and cinder cones conformably overlie the Ootsa Lake Group. Pleistocene to recent till, gravel and sand infill drainage basins and locally form eskers and moraines up to 100 metres thick.

Extensive faulting of the Eocene volcanics has resulted in an array of variably tilted blocks. The entire region appears to be a large dissected caldera complex, part of an extensive assemblage of Tertiary volcanic centres and flow-dome complexes encompassing much of the surrounding plateau region. Broad aprons of felsic tuffs and flows had spread out from a variety of vents within that region. It is the package of rhyolitic to dacitic tuffs, flows and breccias which are favourable hosts for bulk tonnage gold deposits. Epithermal gold mineralization is known at Clisbako just to the east and farther north on the Wolfe claims.

Wolfe

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WORK PROGRAM

Stream sediments are collected, on average, at 500-metre spacing from drainages throughout the selected target area. A 1.5 kilogram sample of -8 mesh sediment is collected at each site and notes made of float material in the creek bed. Samples are submitted to Acme Analytical Laboratories in Vancouver, B.C. for analysis. Rocks are crushed, split and pulverized to -100 mesh, silt samples are screened to -120 mesh. All samples are analyzed for 30 elements by ICP techniques, for gold by geochemical AA methods and for mercury by cold vapour AA. In addition, the intermediate sized fraction of silt samples (plus 150 mesh, minus 20 mesh) are subjected to a cyanide leach for 24 hours prior to analysis for gold by atomic absorption. Sampling costs, including analysis, averaged \$95 per sample. On average, five stream sediment samples were collected by each sampler per day.

Airborne geophysical surveys are flown over anomalous regions to determine resistive and magnetic characteristics of the area.

RESULTS

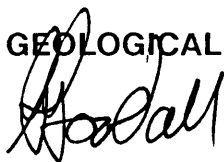
Results from the 1993 reconnaissance program are regarded as highly encouraging. Exploration techniques developed for the Chilcotin program are regarded as low cost, efficient and successful in target identification in an area of virtually no outcrop. Follow-up exploration of anomalous areas led to the discovery of mineralized float material on the Baez property.

RECOMMENDATIONS

The targets identified in the 1993 program warrant further evaluation. These targets require basic sampling and prospecting. In addition, work should be continued in 1994 north of the Baezaeko River in the Entiako River-Ootsa Lake region. This work would utilize the successful stream sediment sampling techniques developed during the previous two years of this program as well as airborne geophysical surveys of anomalous areas. A budget of \$280,000.00 has been proposed to conduct the 1994 exploration program.

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