

Eholt Copper-Gold Property, Grand Forks area

by Linda Caron, Consulting Geologist

Fram: Minerals South Conf. - Oct. 26/06

The Eholt property is centered about 15 kilometers northwest of Grand Forks and 4 kilometers north of the former Phoenix mine, in southern British Columbia. The property is an exploration-stage prospect, covering approximately 3000 hectares in the highly mineralized Boundary District. Past-production of gold in the district has been from a variety of styles of mineralization, including copper-gold skarn, volcanogenic massive sulfide/oxide and Eocene-aged epithermal gold. In excess of 1 million ounces of gold was produced from the Phoenix copper-gold "skarn" deposit. Over 2.5 million ounces of gold has been produced from Eocene-aged low sulfidation epithermal veins in the Republic and Curlew areas of Washington State, 30-50 kilometers south of the property.

The property covers two large areas of favourable Triassic Brooklyn Formation stratigraphy (host to the important skarn and volcanogenic deposits in the district), as well as a significant "graben-like" feature referred to as the Thimble Mountain Tertiary Basin. It has a favourable structural and stratigraphic setting for copper-gold skarn mineralization, Triassic volcanogenic massive sulfide/oxide mineralization and for Eocene-aged epithermal gold mineralization and it hosts a number of mineral showings representing each of these styles. Many of the known showings occur in the western part of the property, where exploration is hampered by widespread alluvial cover and by the abundance of Eocene dykes and sills.

Previous exploration identified an area of copper-gold bearing massive pyrrhotite-pyrite mineralization in this western part of the claim block. This showing, known as the Dead Honda, occurs within skarn altered rocks of the Brooklyn Formation. Drilling by Teck and Orvana in the mid-1990's resulted in good copper-gold values over significant intervals, including 2.7 g/t Au and 0.28% Cu over 27.8 meters. Subsequent trenching suggests that much of the previous drilling was poorly oriented with respect to the trend of mineralization and further drilling is needed. A helicopter-borne combined time domain EM, magnetometer and radiometric survey was flown over the property during 2006 and a strong AeroTEM II conductor was identified at the Dead Honda showing. A second strong conductor was identified on Eholt Mountain, about 800 meters to the southeast of the Dead Honda zone. Both conductors require testing by trenching and/or drilling.

Other areas of interest on the property include the Senator and Seattle showings. There has been little or no modern exploration in either of these areas. The Senator showing is a zone of massive pyrrhotite-pyrite mineralization that occurs within a window of older rocks exposed within the Thimble Mountain Tertiary Basin. The mineralization was mined in the early 1900's as flux for the Granby smelter in Grand Forks, and returned credits for copper and gold. Historically, about 5100 tonnes was mined from this showing, at an average grade of about 0.2% Cu and 1.9 g/t Au. The Seattle showing is an area of copper-gold skarn mineralization in the eastern part of the property, east of the Thimble Mountain Tertiary Basin. Average gold values at the Seattle showing are significantly higher than at the known showings to the west. Two new mineralized zones with good gold grades were discovered in outcrop in the Seattle area during the 2006 work program. Both require drilling.

Prospecting within areas of Brooklyn limestone was successful in discovering silicification, decalcification (sanding), brecciation and vuggy quartz veining intermittently over a strike length of 2 kilometers. This occurrence has characteristics of both epithermal and sediment hosted (Carlin-type) gold mineralization. Gold and values are elevated in this zone (the "Seattle epithermal") but are sub-economic, to a maximum of 600 ppb. Arsenic and barium are also elevated within the zone, and silver and mercury are weakly anomalous. Further work is needed to assess the significance of this discovery.

Excavator trenching is planned for the Eholt property for the fall of 2006, with a diamond drill program to follow.