

VGS → MR<sub>5</sub> Aug. 9<sup>th</sup>

884124 → HUCKLEBERRY

area where 16 short drill holes were completed in 1991 by consultant John Watkins. The target(s) include quartz (carbonate) veins, breccia veins, stockworks, and breccia zones. Mineralization favours the veins which cross intrusive bodies (i.e. similarities to Red Mtn., in part?).

Historically, and even today, the main impediments to accelerating exploration in the area have been the restricted access and the very tough 'bush' conditions. There are no well-established control grids on the properties. Hopefully, some of this necessary 'preliminary' work will get done this year, with drilling to follow.

### CORNICE MTN. - [MI-104A003,081]

On August 20 Paul Wojdak and I discussed the Cornice Mtn. project with John Nicholson and Andris?, contractors (through Orequest) for Cameco. The main Zn-rich calcite breccia showing was drilled (3 holes) on very steep terrain last fall with disappointing results (i.e. missed the target?). Nicholson & Assoc. have been prospecting and mapping the knife-like ridges this summer and have located a new zone ("southwest") with chalcopryrite, and plan to recommend re-drilling the Zn-rich breccia zone from a different direction. It will be interesting to see how Cameco proceeds in this area.

### GEOFINE

On August 20th I had a brief chat in Stewart with David Kennedy (ex-Bond Gold). He and 3 others (Geofine) are working in the Bear Pass area, presumably looking for a Red Mtn. look-alike.

### WILLOUGHBY - [MI-103P006]

On August 21st Paul Wojdak, Dani Alldrick, and I visited Camnor Res./Gold Giant's Willoughby gold property located 26km east of Stewart and 15km east of Red Mtn.. Dave Visagie was our host. John Watkins is also a consultant on the project. In 1989 Bond Gold (under an option agreement) spent approx. \$1 million on drilling (14 holes totalling 1709m) on the Willoughby property - all testing targets on steep to precipitous slopes surrounded by glaciers. The most significant drill hole intersection was MZ 89-6 which returned 20.5m grading 24.89 g/t Au and 184.21 g/t Ag from the North zone. At least 10 significant zones of mineralization have been identified, hosting gold and silver-bearing pyrite (and/or pyrite) that appear to be genetically related to Early Jurassic hornblende feldspar porphyry intrusive rocks (equiv. to Goldslide Intrusion at Red Mtn.?). The sulphides occur in pods, veins, stockworks, and breccia zones within highly altered (carbonatized vs silicified or K-spar rich rocks). Other metallics identified include: sphalerite, galena, arsenopyrite, chalcopryrite, native gold, electrum, Bi-telluride and Ag-telluride.

Camnor had just completed their \$0.5 million program (cf. planned \$1.1 million - lack of financing) drill program comprised of 17 short holes totalling approx. 1750 metres [Willow (ex-Willoughby) zone: 1 ddh; Wilby zone: 9ddh; North zone: 6ddh; and Upper Ice Fall zone: 1ddh].

The North zone is hosted by highly altered (sericite/carbonate) hornblende feldspar porphyry with a 5 to 10% pyritic stockwork, plus quartz veinlets carrying visible gold and auriferous pyrite. [Note: no K-spar; cf. Red Mtn.]. DDH 94-15 (first hole in 94 program) returned 11m grading 1.3 opt Au and 3 opt Ag. The other zones consist of pyrite-rich, chloritized/sericitized andesitic lapilli tuffs. The Willow zone contains bryozoa fossils replaced by pyrite, tourmaline alteration, and a sulphide breccia pipe with a 2% Zn. The Wilby zone located SE of the North zone consists of massive sulphide (py/po) occurrences in andesitic tuffs with abundant calcite gangue, trace quartz and minor cpy, PbS, and ZnS. DDH 94-22 returned 4.2m grading 0.457 opt Au. Other assays are pending. The Upper Ice Fall zone consists of sphalerite, galena, and pyrite in carbonized andesitic tuffs. Lithochemical analyses suggest an overall Na-depletion. Additional prospecting, mapping and sampling will be undertaken until early September.

### GENERAL - STEWART AREA

On August 20th Paul Wojdak, Dani Alldrick and I talked with the Mayor of Stewart, Andy Burton, about the desirability/need to improve the "Granduc Road" as part of the mining history of the area, as well as for the tourism values.

### HUCKLEBERRY - [MI-93E-036,037,038]

On August 25th Paul Wojdak and I visited New Canamin's Huckleberry copper project located south of Houston. Hosts on site were Kelly Illerbrun (Project Manager) and Jim Hutter, Jr. (Geologist). Drilling (unless further

financing is arranged) had just been completed; a total of 15850 metres (cf. 14935m in 1993). Budget expenditures in 1994 were approx. \$3 million, bringing the total expenditures by New Canamin since 1991 to approx. \$5 million. In 1994, approx. 3050 metres of in-fill drilling was completed on the Main zone, including testing the northern and southern extensions. Further drilling around the entire contact of the Main zone stock will be required prior to mining. The remainder of the drilling was concentrated on the East zone; two short holes tested the Far East zone, with little 'visual' success (i.e. more work required to test this auriferous arsenopyrite stockwork zone). New Canamin expects that their amended Prospectus will be made public very shortly. A pre-feasibility study (by Kilborn et al.) is currently in progress, with application to the MDAP expected later in September. The study includes a molybdenum circuit. Geological reserves (Main and East zones) are estimated at 175 million tonnes of copper material with a cut-off grade of 0.3% Cu. Mineable reserves are estimated at approx. 80 million tonnes grading 0.54% Cu. The mining plan calls for a 'starter' (i.e. higher grade) pit on the western portion of the East zone where grades are estimated at 0.65% Cu. The mill (13,500, TPD) will be located close to the 'starter pit'; the tailings pond will be located to the west of the Main zone. Total capital costs are estimated at \$120 million. Power requirements include a new \$7m hydro line from Houston. Concentrate will be hauled to Houston then travel by train, either to the coast for offshore markets or east to Flin Flon (Hudson Bay Mining and Smelting smelter).

The East zone drilling in 1994 has now shown that the intrusive dyke is really another stock, structurally controlled by a NW-trending right-lateral fault ( $\pm$  post mineral dyke) on the north (offsets to west up to 400m) and a South Wall Fault on the southwest. A minor (4.5m or 1 million tonnes) zone of crushed, supergene-enriched rock caps the East zone.

The 1994 drilling campaign consisted mainly of angle holes (cf. vertical holes in '93). The comparison of grades is within 2% (i.e. excellent). Thomas Postolski, graduate thesis student with Dr. Al Sinclair at UBC, was on site all summer collecting data for a detailed statistical study.

#### EXPLORE B.C. - contacts made:

- a) MEIP: - Bandit, Driftpile, Red-Chris, IKS, Sulphurets/Bruceside, Ashwood, Willoughby, Huckleberry East, Bacz (Sept. visit),
- b) AMEP: - Similco, Golden Bear
- c) PAA: - Darryl Hanson, Ron McMillan, Larry Hewitt, Lindy Dandy.

#### ISSUES/TRENDS

1. **WILLOUGHBY** - Camnor Res. reported significant gold assays from drilling on the North zone which has been tested by drilling over a strike length of 200 km and traced on surface for another 300 ft. before the zone disappears under glacial ice. The North zone occurs within an altered porphyry stock, similar to the adjacent Red Mtn. gold deposit. DDH-94-15 returned 38.4 ft. @ 1.17 opt Au and 3.20 opt Ag. The 1994 PROGRAM INCLUDED 17 DRILL HOLES TOTTALLING 58217 FT. See August property visit.
2. **RED CHRIS** - Drilling on a section by section basis testing a strike length of 3,300 ft. Already drilling has extended the mineralization to a depth over 1000 ft. and the use of large diameter HQ drill core is indicating opportunity for upgrading metal content. Geophysical-geochemical surveys are developing additional drill targets within a 5km long zone of intense alteration and mineralization. See August property visit.
3. **ECSTALL** - Atna Res. Ltd. working on \$430,000 program (incl. \$75,000 from Explore B.C.).
4. **CHAPLEAU CREEK** - Int'l King Jack Res. has completed an option agreement with Tom Kirk under which Mr. Kirk will begin an exploration program in the Slocan area.
5. **TULSEQUAH CHIEF/BIG BULL** - To the end of July, Redfern Res. had completed 7 drill holes totalling 10,700 ft. on the Tulsequah Chief deposit. Holes were successful in adding down-dip and strike extensions to the G lens east of the 5300 fault, extending the H lens to the west of the 5300 fault providing in-fill data (i.e. tighten reserves), and testing the H lens at depth. At the Big Bull, 11 surface holes totalling 14,000 ft were completed by end-July. Four holes probing the southern portion did not intersect 'ore'; the remaining 7 holes intersected further mineralization in the down-plunge northern extensions of the previously mined deposit. The permitting process has been underway since May, 1994.
6. **YUKON** - Cominco Ltd. announced discovery of a significant new polymetallic sulphide deposit in SE Yukon, 200 km NW of Watson Lk.. To date, 20 of 27 diamond drill holes have intersected massive base metal sulphides

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