



CONFIDENTIAL

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To: V.A. Preto
Manager, District Geology

October 8, 1992

LOG NO: OCT 15 1992 VAN /

ACTION:

Re: MONTHLY REPORT - July to September 1992

*xeroxes to
Property Files*

- KOOTENAY DISTRICT

FILE NO: DG-NELSON

Exploration Highlights:

KATIE

- the Katie Joint Venture (Yellowjack Resources/Hemlo Gold/Brenda Mines) has been ~~inactive since early July~~ when Yellowjack completed a \$400,000 drilling program. This is a Cu/Au porphyry prospect in Rossland Group volcanics near Salmo (82F/3W) which is unquestionably the most promising property in the Kootenays in 1992. The "Main zone" has been defined now over a strike length of 450 metres, width of 100 metres and down-dip 350 metres. It is open in all directions. The 17 zone is located 700 metres south of the Main zone, has stronger potassic alteration and locally higher grades than the Main zone. Alteration patterns suggest to me that the 17 zone may be the centre of a much larger hydrothermal system that includes the Main zone and the ~~peripheral~~, pyrite-rich West zone. Contrary to rumours (and an earlier publication of our Branch), no meaningful reserve estimates have been made for the Katie deposit, except for a ballpark figure of 50 million tonnes for the defined portion of the Main zone. I am optimistic that the total system may be very much larger than that and that the critical factor will turn out to be ~~grade~~. ~~Ron Wells~~ of Placer Dome recently spent several days reviewing all of the core and all of the records. He is very enthusiastic about the potential of the property and has recommended it to ~~Placer Dome~~ for acquisition. ~~Ken Murray~~ is optimistic that Placer will soon become operator of the project and will resume the drilling before the end of 1992. Indications are strong that the Noranda group has lost interest and will withdraw as a participant in the JV. Noranda has not done any work this year on the extensive adjoining claim groups on which it is still the operator.

*MAMMOTH
(new)*

- at the Mammoth property south of Nelson, Golden Mammoth Resources (Ken Murray again) has completed a program of geological mapping, geochemistry and geophysics. An I.P. survey performed by CME Consulting has outlined several good drill targets which will be tested next year. This is another ~~promising~~ prospect in Elise volcanics of the Rossland Group (82F/6W; MI82FSW211), with Cu/Mo the main commodities rather than Cu/Au as at Katie. Terry Naciuk (CME Consult.) has worked on this one and is also project manager at the Katie. He has expressed the opinion that Mammoth also has high promise as a potential porphyry orebody, although it has previously been known as a low-grade skarn occurrence.

LEG

- at the Leg property on Wilds Creek, 15 km. north of Creston (82F/2E; MI82FSE005) Consolidated Ramrod Gold Corp. (Kokanee Explorations) is drilling a promising ~~new style~~ of mineralization in the ~~upper part~~ of the Purcell Supergroup. It consists of ~~stratabound~~ and banded sphalerite-barite-pyrite in very fine quartzite (chert?), coarser quartzite, limestone and black argillite of the Dutch Creek Formation. Minor lead, silver and cadmium are associated with the zinc and barite. The better of two intersections in the first hole of this program assayed 7.1% Zn and 19.9 g/t Ag over 1.5 metres. A nearby hole drilled in 1990 assayed 4.75% Zn over 7.0 metres. Pyrrhotite and magnetite are both