



GEOLOGY OF THE MERRY WIDOW PROPERTY

The oldest rocks in the area are the early Upper Triassic Karmutsen volcanic rocks consisting of pillow basalts and andesites, and are thought to be several kilometres thick.

The Karmutsen Formation is overlain by the middle Upper Triassic Quatsino Formation, a limestone sequence 600 - 1200 metres thick. The upper one-third of this sequence contains argillaceous layers. Regionally the Quatsino Formation strikes southeasterly and dips gently to the southwest.

Overlying the Quatsino Limestone is the late Upper Triassic Bonanza volcanic rocks. This package consists predominately of massive andesitic to dacitic flows and tuffs, commonly with feldspar phenocrysts. Locally, the Bonanza Formation is underlain by an argillaceous sedimentary package, with gradational contacts between the two.

Fine grained andesitic dykes and sills intrude the Quatsino and Bonanza formations. These dykes and sills have similar appearance to the host volcanics and are difficult to differentiate. These, possibly, are feeders to the Bonanza volcanic rocks.

All three formations are intruded by the Coast Copper Stock to the west. Near the contact with the stock the southwest dipping formations become intensely buckled. The Coast Copper Stock is a multi-phase intrusion with the composition varying from gabbroic margins to quartz monzonite centres. The stock appears to be the source of the metasomatizing fluids and is also responsible for the necessary structures in the development of the skarn zones.

Two such structures are responsible for the localizing of the skarn zones in the vicinity of the Merry Widow Pit. These structures are the northerly trending intrusive contact and the northeasterly trending Kingfisher Fault.

Skarn Zones are present in the pit as well as in several outcrops proximal to the limestone - volcanic contact. Three main skarn types were observed. Closest to the intrusion is a massive, medium to dark brown garnetoid skarn. Moving away from the intrusion the garnetoid skarn grades into garnet-actinolite skarn, coarse crystalline actinolite +/- calcite skarn and finally a fine grained epidote skarn. Magnetite is associated with all the skarn zones and is present in structures cutting across the recrystallized limestone.

Magnetite occurs as tabular bodies, lenses and as fracture fillings, lying subparallel to the easterly dipping diorite intrusive contact and along the northeasterly trending Kingfisher Fault zone. Minor chalcopyrite and pyrite is present in the calcite matrix within the magnetite. Cobaltite with minor native gold is also present in the south wall on the lowermost bench.

Sulphide mineralization is predominately concentrated in the northeast walls of the Merry Widow open pit. A small exposure is also present in the lower most southwest wall immediately south of the vent raise. The sulphides are associated mainly with actinolite skarn and in places in the calcite matrix. The sulphides strike north to northeast and dip steeply to the east or southeast. The sulphides present, in order of decreasing abundance, include pyrrhotite, chalcopyrite, pyrite and arsenopyrite. Minor cobaltite has been noted in the south wall on the lowermost bench of the pit area.

The sulphides form massive bodies within the contact area of the Bonanza volcanics and the Quatsino limestone. The massive sulphides generally consist of eighty percent pyrrhotite, three to five percent chalcopyrite and less than one percent pyrite.

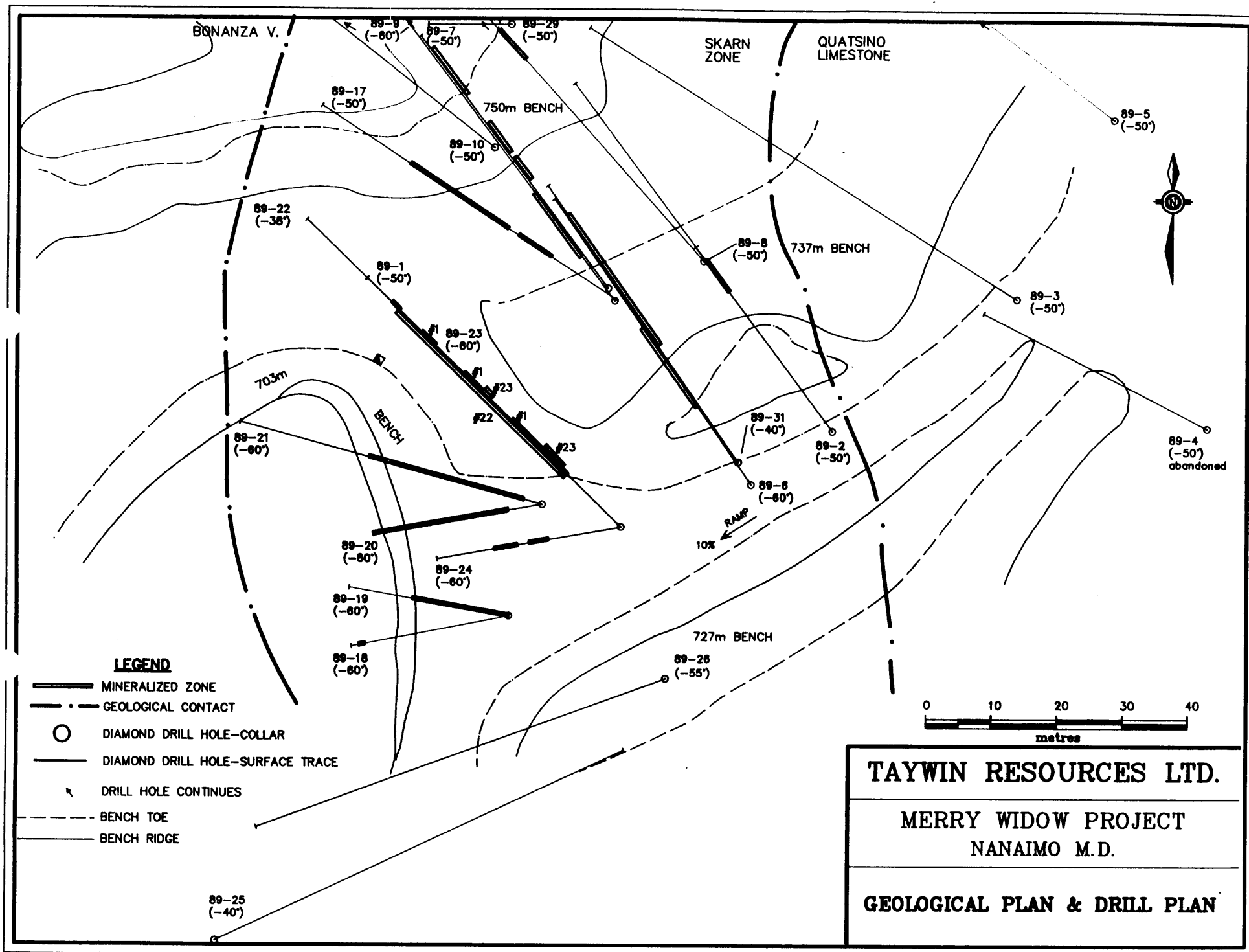
The sulphides are zoned with respect to sulphide mineralogy. Pyrrhotite and chalcopyrite occur together. Pyrite when present, forms midway down the sulphide rich section and is in a distinct zone.

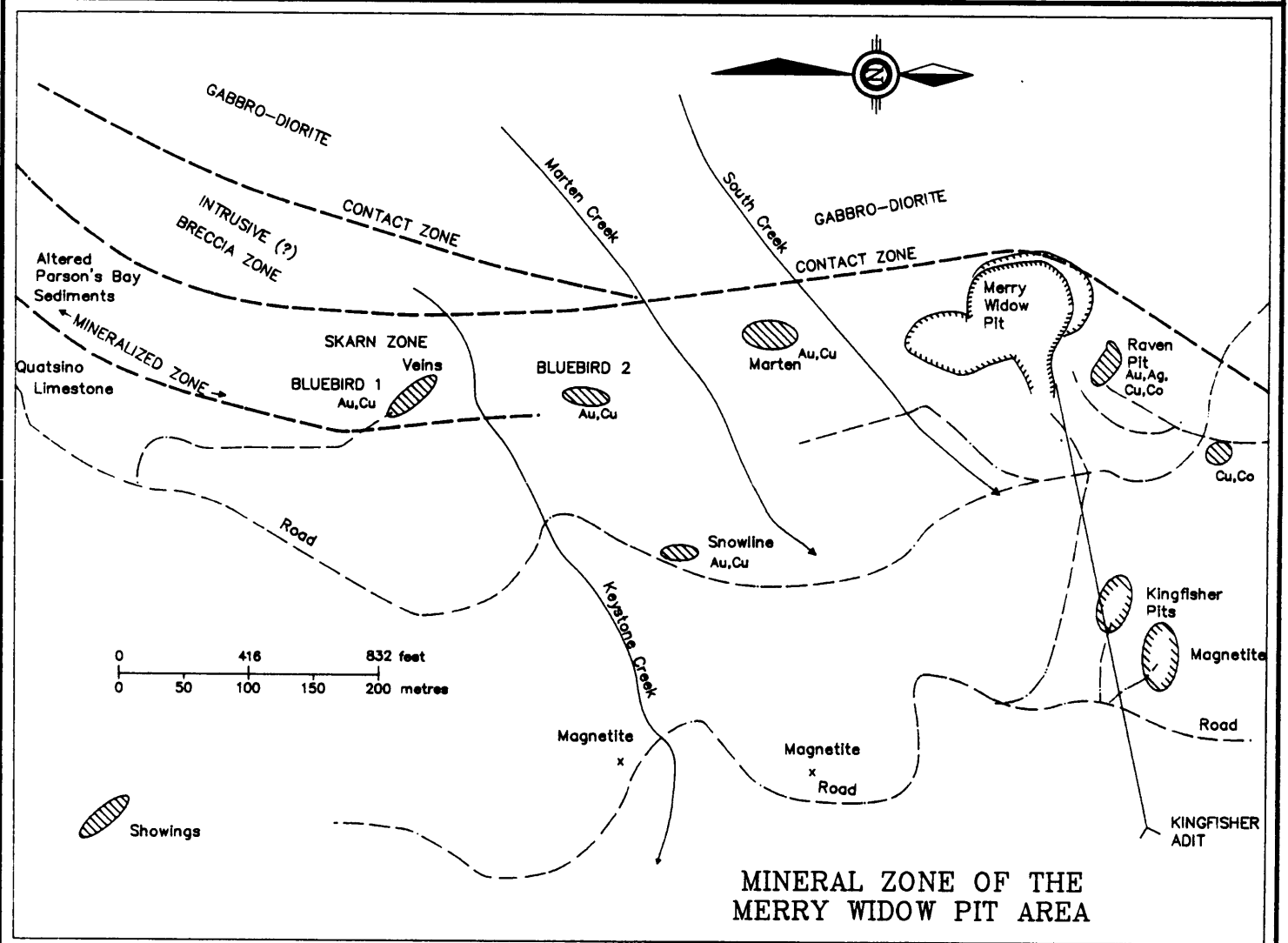
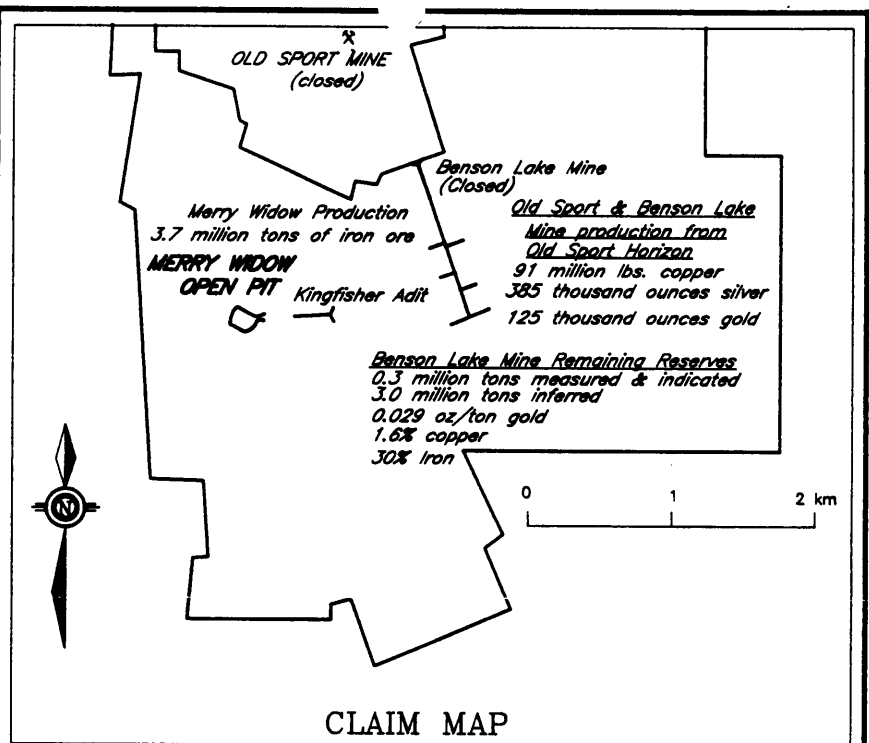
Gold, copper and silver mineralization is associated with the massive pyrrhotite-chalcopyrite. There is a strong correlation between gold and copper values but no correlation with silver. Some of the more interesting intersections are listed below:

DDH	WIDTH(METRES)	GOLD(OPT)	COPPER(%)
89-1	55.1	0.13	0.20
89-6	31.0	0.15	0.42
89-7	14.0	0.39	0.21
89-17	46.0	0.10	0.99
89-19	29.0	0.17	0.60
89-20	43.4	0.20	1.34
89-22	45.0	0.11	0.33
89-31	38.0	0.10	0.38

At present the majority of the work has been done on the main Merry Widow pit. The Raven Zone lies immediately northeast of the Merry Widow pit. Limited work has been done here but one drill hole, 89-30, returned 0.26 OPT gold and 0.73% copper across five metres.

Past production from the Merry Widow totalled 3.7 million tons of 50%+ iron ore.





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