

New Moon
886077

FAME '87

NEWMONT EXPLORATION OF CANADA LIMITED
SUMMARY REPORT - FAME GRANT APPLICATION

Target: Vein-stockwork zone containing significant silver, gold, zinc and lead.

Property Name: New Moon

Location: 100 km south of Smithers, Omineca Mining Division, NTS 93E/13 E&W, Lat 53° 57' N, Long 127° 45' E. Access via 74 km of logging roads from Houston to Morice Lake, then 20 km by Helicopter SW to property.

Property: 22 continuous grid claims comprising 375 units, named New Moon, Full Moon, Misty Day, Copper Cliff, Lunar 1-18. Owner is prospector Charles Kowall; claims held under option by Newmont.

Option Agreement: By completing \$110,000 in payments and \$500,000 in work by 1990, Newmont would earn a 100% property interest subject to a 10% net proceeds interest and annual advance royalty payments to the prospector.

Geology: Property lies on east flank of Coast Mountains, underlain by Jurassic volcanic rocks of the Hazelton Group in close proximity to the Coast Plutonic Complex. Rock units consist of gently dipping tuffs, breccias and flows ranging from andesite to rhyolite in composition. Minor limestone, chert and marl also occur. Intrusive rocks include plentiful narrow dykes similar to extrusive units, and a few granitic stocks. Numerous steep faults with small offsets are recognized. No major folds have developed. Mineral deposits are hosted by quartz-carbonate vein and stockwork zones controlled by faulting and fracturing. Sulphides in the veins are sphalerite and galena; less chalcopyrite and pyrite. Gold and silver are present as electrum, acanthite, native silver and sulphosalts.

Exploration Status and Results: This project is at the diamond drilling stage, yet still has high potential for discovering additional mineralized zones through detailed surface work. To date, 14 zones and occurrences have been found along a 3 km belt; only 4 have been drilled. The Main Zone has been drill tested over a 250m length, to a depth of 230m and is still open for extension. Widths are 1 to 4.2m. Drill-indicated reserves are 672,000 tons of 1.90% Pb, 5.81% Zn, 0.45 oz/ton Ag, 0.03 oz/ton Au. Other zones contain lower base metals and higher precious metals. The Misty Day has only 3 short drill holes, the best of

which intersected 0.66% Pb, 2.15% Zn, 38.6 oz/ton Ag, 0.075 oz/ton Au over 6.2m. The most significant undrilled occurrence is the North Zone, where several vein-stockwork exposures occur over a 600 x 100 m area. The best averaged 1.26% Pb, 2.38% Zn, 34.1 oz Ag, 0.225 oz Au over 5m at one end and 0.54% Pb, 0.68% Zn, 23.18 oz Ag, 0.075 oz Au for 5m and the other, with the intervening 11m left unsampled at end of the 1986 program.

Recommended Program: Diamond drilling of 2314m in about 26 holes will be distributed over 6 zones. Priority will be on the high Au-Ag Misty Day and North Zones. Hole lengths will be mainly 30 to 120m. All holes will be on known showings or extensions of same. An important part of the 1987 program will be detailed mapping, prospecting, trenching and sampling the northern part of the mineralized belt, where significant mineralization was still being found at the conclusion of the 1986 work.

Estimated Starting Date: July 1, 1987

Estimated Completion Date: September 15, 1987

Bibliography: "Geological, Geochemical, Trenching and Drilling Report, New Moon Property" by D. Visagie dated Jan 15/87. Filed as assessment and also as 1986 FAME requirement. Numerous other private reports by previous operators as listed in above.

Intended Source of Funding: Applicant has an approved budget for a portion of the 1987 program, and is considering joint venturing to ensure a more comprehensive program will be carried out. Receipt of a FAME grant would be used to extend the drilling. *Done*

Corporate Information: Newmont Exploration of Canada Limited, Incorporated July 31, 1944 - Federal, Ottawa.

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