

TULSEQUAH
CHIEF

Polaris-Taku
886105

At the property scale, strata consist of a lower sequence of monotonous coarse metagreywacks, followed by a package dominated by iron formation which is overlain by metagreywacks. Thin, discontinuous layers of silicate iron formation occur in the upper part of the lower metagreywacks. Oxide and, to some extent, silicate facies dominate the main package of iron formation which consists of thinly-bedded magnetite, chert and grunerite except where altered or sulphidized. At Goose Lake the main package can be further divided into a lower and upper iron formation which vary from 5 to 20 and 20 to 50 m thick, respectively. A 3 to 5 m thick unit of graphitic mudstone generally occurs between the two iron formations and variable amounts of greywacks and mudstone are commonly interbedded with oxides in the upper iron formation. A north-northwest trending felsic dike subparallels mineralized zones at Goose Lake where it is locally altered and contains gold-bearing sulphides. Late mafic dikes usually contain pyrrhotite, crosscut mineralization and are always barren of gold.

Most of the mineralized zones occur in the lower iron formation where abundant native gold occurrences, the presence of arsenopyrite, pyrite or pyrrhotite, quartz-carbonate veins and chloritic alteration correspond to areas of best gold grades. Three subparallel mineralized zones at Goose Lake occupy the west and east limbs, and the axial plane of a slightly overturned, tight, moderately north-plunging anticline. The three zones dip about 70° southwest and extend over a length of 250 m, to a depth of 250 m and vary from 1.5 to 15.2 m thick.

Attitudes of the West, East and Main zones at Goose Lake were strongly influenced by through-going axial planar faults or brittle-ductile shear zones that focused the flow of hydrothermal fluids. Gold was emplaced at the intersection between structurally controlled fluid paths and the lower iron formation where sulphidization of iron rich units was probably the key factor controlling the precipitation of Au. The Main zone mineralization occurs in the hinge region of the anticline, where axial planar features intersected structurally thickened iron formation. Erratic gold grades occur below the lower iron formation in the footwall greywacks and may be correlated with the same axial planar structure that controlled the emplacement of the Main zone. The extent of alteration and mineralization around each zone and grade thickness contour patterns projected on longitudinal sections, suggest that fluid flow was orthogonal to the fold plunge and originated from a deeper source region.

1:45 Recent Results from the Polaris-Taku Gold Property, Tulsequah, B.C.
James Moors, Project Geologist, Polaris Taku, Canarc Resource Corp.

The Polaris Taku Gold Property contains a geological resource of 2.42 million tons at 0.43 oz/ton Au. Located on the Tulsequah River, 95 km south of Atlin, B.C., the deposit is a shear controlled quartz-ankerite vein stockwork system hosting high-grade refractory gold in arsenopyrite mineralized, silica-ankerite-sericite-pyrite ± fuchsite ± stibnite altered volcanoclastic rocks of a probable Carboniferous age. The mine operated between 1937 and 1951 at an average recovery of 83% and produced 231,000 ounces of gold from 760,000 tons of ore at an average recovered grade of

0.3 ounces per ton. Recent metallurgical tests suggest a recovery of 94% can be attained with a flotation/pressure oxidation/cyanidation circuit.

Recent step out and in-fill drilling focused on the northeasterly trending high-grade "C" vein increased its strike length to the north-east and extended high grade ore chutes (ie. 0.84 oz Au/13.6 ft. or 26.8 g/4.1 m true width) down-dip to a depth of -850 feet. This increased the "C" vein geological resource to 690,000 tons at a grade of 0.432 oz/ton gold. Shallow exploration drilling on the newly discovered North Zone; the fault offset continuation of the northwesterly trending "AB" vein system intersected results up to 0.180 oz Au/48 feet (5.8 g/14.6 m) true width. This new structure has been drilled over a strike length of 1200 feet (365 m), however geochemical trends suggest a possible strike length of greater than 3000 feet (900 m). Drilling in 1995 will focus on extending ore chutes to depth and along strike.

Canarc's 100% ownership of the property is subject to a 15% net profits interest.

2:00 Planned Production at Nicholas Lake Gold Project, N.W.T.

Wendell M. Zerb, Consultant to Athabaska Gold Resources

Athabaska Gold Resources 100% owned Nicholas Lake Project has been aggressively explored over the last 6 years with expenditures totalling about C\$7.0 million. Nicholas Lake is located 100 km northeast of Yellowknife, N.W.T. and is accessible by aircraft year round and by winter ice road January through March. The Nicholas Lake Main Showing consists of eleven distinct, steeply dipping, shear hosted quartz-sulphide-gold veins that occur within and on the southern margin of a stock of granodiorite intruding Archean metasediments. Following a pre-feasibility study by the company 600 m of underground decline and 220 m of vein silling was completed in March to July 1994. Interesting underground results led to a 36 hole in-fill underground drilling program from August to October 1994. Diamond drilling totals 17,000 m in 107 holes on the Main Showing with approximately 20 m centers between drill hole intersections. Estimated proven/probable reserves, to 350 m below surface, are 307,200 tonnes (338,500 tons) grading 15.16 grams per tonne (0.44 oz/t) with an additional 153,800 inferred tonnes (169,500 tons) grading 9.64 grams per tonne (0.28 oz/t). The company has the option of building a mill on site or shipping the ore to an existing mill on an ice road during the winter hauling season. Pending a suitable contract for hauling and milling, production is expected to begin in 1995 at a rate of 70,000 tonnes of ore per year yielding 995,300 grams (32,000 ounces) of gold. Mining will be by conventional shrinkage stoping. Preliminary projections indicate a net positive cash flow before taxes of C\$6.0 - 8.0 million per year at current gold prices. The present proved/probable reserve is adequate for 4 - 5 years of operation with a good possibility that additional reserves will be developed at depth.