

INTEROFFICE MEMORANDUM

VBS → 2 Nizi

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Created: 03-Oct-1996 11:11pm PDT
Sent: 03-Oct-1996 11:11pm PDT
From: Michael Marchand
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Title.
Dept:
Tel No:

TO: tschroeter

(tschroeter@A1)

Subject: Smithers conf

I just got some neat pictures of RatBag sleeping with his wild hat at the banquet!

We hope to have some assays back next week. Core looks very good; epithermal breccia and lower in section banded pyrite with minor base metal sulphides in dacitic flows ?

I'll fax you the press release and other material....we have really made public everything cept the assays which are not yet available.

Michael Marchand
Director
Madrona Mining Limited
Ph 403-264-5486 Fax 403-264-9070
email: marchand@cuug.ab.ca

Good, Thanks,
V.
Oct. 7/96

I N T E R F A C E M E M O R A N D U M

Created: 28-Aug-1997 03:25pm PDT
Sent: 28-Aug-1997 09:27pm PDT
From: Michael Marchand
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TO: 16 addressees (Current User: Tom Schroeter of EI)

CC: 4 addressees

Subject: MAdrona Press release

FOR FURTHER INFORMATION PLEASE CONTACT:

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or

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The Alberta Stock Exchange has neither approved nor disapproved the information contained herein.

NEWS RELEASE TRANSMITTED BY CANADIAN CORPORATE NEWS

FOR: MADRONA MINING LIMITED

ASE SYMBOL: MRA

AUGUST 28, 1997

Madrona Commences Drilling Program

CALGARY, ALBERTA--Madrona will shortly commence a minimum 3,000 foot diamond drilling program on the Nizi prospect in Northern B.C. The highest grade intersected in the 1996 diamond drilling was 10 feet of 14.908 g/t (.525 opt) gold and 154.65 g/t (5.5 opt) silver in high level breccias showing multiple stages of fracturing characteristic of epithermal low-sulphidization mineralization.

A program of high-precision GPS surveying was completed in July 1997. It accurately determined the 3-D configuration of the surface showings and the existing drill holes. All the 1996 drill core was re-logged in detail which has resulted in a much improved understanding of the geology. Dr. Andre Panteleyev of XDM Geological Consultants Inc., recently retired from the B.C. Geological Survey and who is highly experienced in epithermal gold mineralization was brought on site to review the geology and drill core. His input in conjunction with our independent consultant,

Dr. Heather Plint of Shear Quality Consulting has resulted in a much better understanding of the style of mineralization and the geology of the claims. It now appears there is a direct spatial relationship between the rhyolite and the gold-silver mineralization. The objectives of the drilling program are to extend the current zone of mineralization and, based on our new geological synthesis, to do some wildcat drilling into a previously untested rhyolite dome.

Also, a program of soil geochemical surveys has recently started on our 100 percent owned Poker Creek Prospect in Yukon. It lies within the Yukon-Tanana Terrane, a geologic region that contains the same suite of rock units that host Cominco's Kudza za Kayah and Atna/Westmin's Wolverine volcanogenic massive sulphide deposits in Southern Yukon. Prior to the 450 km. displacement along the Tintina Fault, the Poker Creek prospect was situated close to those deposits. The results from the airborne geophysical survey flown in September 1996 show a very strong positive magnetic feature over favourable Nasina Metavolcanics. The current program is designed to find geochemical anomalies coincident with the geophysical targets.

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** new email address - please use

I N T E R O F F I C E M E M O R A N D U M

Created: 02-Sep-1997 02:40pm PDT
Sent: 02-Sep-1997 03:20pm PDT
From: Tom Schroeter of EI
TSCHROETER
Title. Senior Regional Geologist
Dept: Employment & Investment
Tel No: 660-2812

TO: Remote Addressee

(marchand@ibm.net@GEMS@VENUS)

Subject: NIZI Project

Mike, thanks for the progress report by e-mail. I, along with Paul Wojdak, very much enjoyed our brief visit with Heather and Ellie and look at the 1996 core on the Saturday that you and Andre arrived in Watson Lake. It's too bad we couldn't have hooked up. I agree with the recent re-interpretation that there appears to be a direct spatial relationship between the rhyolite and the Au-Ag mineralization. I was impressed with the apparent devitification textures in the acidic (rhyolitic) volcanics; and in particular the spatial (genetic) relationship of the mineralization to a "shattered" texture. I view this deposit as being "volcanic-hosted, structurally-controlled (epigenetic/epithermal)". Good luck with the drilling; I look forward to some good results. Tom

I N T E R O F F I C E M E M O R A N D U M

Created: 27-May-1998 04:22pm PDT
Sent: 27-May-1998 10:29pm PDT
From: Michael Marchand
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Title.
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TO: Quarterly Report - Madrona (marchand@ibm.net@GEMS@VENUS)

Subject: Madrona's Quarterly report

Madrona Mining Limited

REPORT TO OUR SHAREHOLDERS

NIZI

We are pleased to present Madrona Mining Company's quarterly report as at March 31, 1998.

The final report for 1997 operations submitted by Dr. Heather Plint of Shear Quality Consulting recommends several phases of extensive exploration on the Nizi property in Northern BC Epithermal mineralization at Nizi is now known to be associated with potassic (K-feldspar-quartz-sericite-chlorite) alteration. Therefore, in Phase 1, alteration mapping of the property is strongly recommended by either a ground or airborne, gamma ray spectrometry survey which should help define areas of potassic alteration and/or a Short Wave Infrared Reflectance (SWIR) survey which would permit identification of alteration minerals. Soil geochemistry surveys over anomalies I through IV should be carried out to confirm their location and extent. Additionally, soil and rock sampling at the base and in small gullies that dissect the cliff on the northern side of the Telephone Hill area is recommended. Soil and rock sampling in the area near the creek down slope from the Discovery Vein should also be carried out. Since the whole 1 km by 3 km area extent of Eocene Nizi volcanics remains favourable for hosting epithermal gold-silver deposits, Phase 1 exploration will attempt to define the size of known prospective alteration zones as well as defining new areas. Phase 2 would consist of trenching to expose more outcrop and detailed mapping of the new soil anomalies and on the grassy southwest-facing slope that obscures much of the Telephone Hill rhyolite. Better mapping of the surface exposures of rhyolite around Telephone Hill is required before any drilling takes place in this area. As much of the exposure of tuffs and rhyolite is along the north-facing cliff, employing a mountaineer and using a GPS in combination with a laser range finder should permit better mapping of geologic contacts in outcrops. In particular, the surface exposure of the rhyolitic volcanics and investigation of possible normal faulting is needed. Phase 3 involves additional diamond drilling on the Nizi property. Proposed drill holes are in the Discovery Vein area, the Telephone Hill area, the Hill Zone area and the Zinc Lake zone. The priority target for diamond drilling is the Discovery/Surprise Vein area because this region has well-defined gold mineralized stockworks over an area of 100 by 175 metres to a vertical depth of 120 metres. In addition, rhyolite has been cored to a vertical depth of 220 metres.

es
in Gold Giant's drill hole 92-2. Typically the ore ne in adularia-sericite
type
epithermal deposits may be present at depths up to 1000 metres. Further drilling
in the Telephone Hill is warranted to test the silver anomalies associated with
the
flow-domes. At Zinc lake, the area of mineralization requires testing as the
existing hole failed to reach target. Drilling in the Hill Zone is recommended
pending outcome of the soil sampling and trenching program with up to three
holes to test the quartz-barite-pyrite stockwork. Existing soil geochemistry
anomalies I and II should be considered potential targets until proven otherwise

A budget of \$1,014,500 has been prepared to cover all the recommendations.
The key finding from this past year's exploration and analysis is that we have a
new well-defined model of Nizi that can be used to direct the ongoing work. This
model has both bulk-tonnage potential in areas of more permeable volcanics and
high-grade in areas of faulting and alteration. Analogies with some of the young
and extensive precious metal deposits in the South American Andes are now
realistic from our new knowledge of the high-level nature of the young Nizi
Volcanics. The property requires a careful and systematic phased exploration
program, which is under review by your company at the present time.

A recently reported staking rush in Alaska adjacent to our Poker Creek
property in Yukon has stimulated interest in the area. Announcement by Teck
Corp in November of a 4.5 million ounce high-grade gold deposit at Pogo near
Delta Junction in Alaska has caused this activity. This deposit lies due west of
the property and is hosted in Yukon Tanana metamorphic rocks adjacent to a
Cretaceous intrusive. Poker Creek geophysical data suggests several intrusives
on the claims, which are mostly underlain by Yukon Tanana metamorphic rocks.
The results of the 1997 soil geochemical survey are very encouraging as twelve
anomalous areas have been outlined. Additionally there is significant exploratio

n
and land acquisition activity in Alaska and Yukon for the Tombstone gold play,
which extends from Fairbanks Alaska area to past Mayo in central Yukon. Over
12 million ounces of economic low-grade bulk-mineable gold has been defined in
the Fairbanks area in the past 5 years in this play. The Fort Knox mine near
Fairbanks and the Brewery Creek mine near Dawson City, Yukon are both part of
the Tombstone bulk-mineable gold play. The potential for the Poker Creek
property to host Pogo-style high grade, Tombstone -style bulk-mineable gold or
volcanic hosted massive sulphide deposits remain high as the rock units are
favourable and the exploration data acquired to date is encouraging. Madrona
has just been awarded for the second consecutive year a Yukon Mineral
Incentive Program grant for up to \$20,000 for the Poker Creek property. We
anticipate farming out this property in order to accelerate exploration activity
on it.

On behalf of the Board,

Gordon Steene
President

Financials are in attached word document