

10/11/96  
604-775-0513

# Madrona Mining Limited (MRA - ASE)

## Corporate Profile

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Madrona Mining Limited is well-financed mineral exploration company listed on the Alberta Stock Exchange (MRA). The company is currently active on three properties in Western Canada searching for base metals in volcanogenic massive sulphide deposits and epithermal gold deposits. Airborne geophysics has been carried out on two prospects while the third gold prospect has been diamond drilled. Madrona continues to search worldwide for quality gold and base metal properties.

## Capital and Financial Structure

The company has issued 4,763,500 common shares and has 1,250,000 Flow-through share warrants outstanding at \$0.30 per share. When exercised, these will provide an additional \$375,000 for exploration in Canada. Options outstanding total 280,000 common shares at \$0.15. The company is adequately funded and at June 30 1996 (3rd quarter) had cash of \$602,655 and no liabilities.

## Directors

John Davey            Calgary  
Michael Marchand    Calgary  
Gordon Steene        Calgary

Stanley Lind    Victoria, BC  
Peter McKown   Calgary

## Legal Counsel

Burnet, Duckworth & Palmer, Calgary

## Auditor

David Patrino, C.A.

## Registrar and Transfer Agent

Montreal Trust, Calgary AB

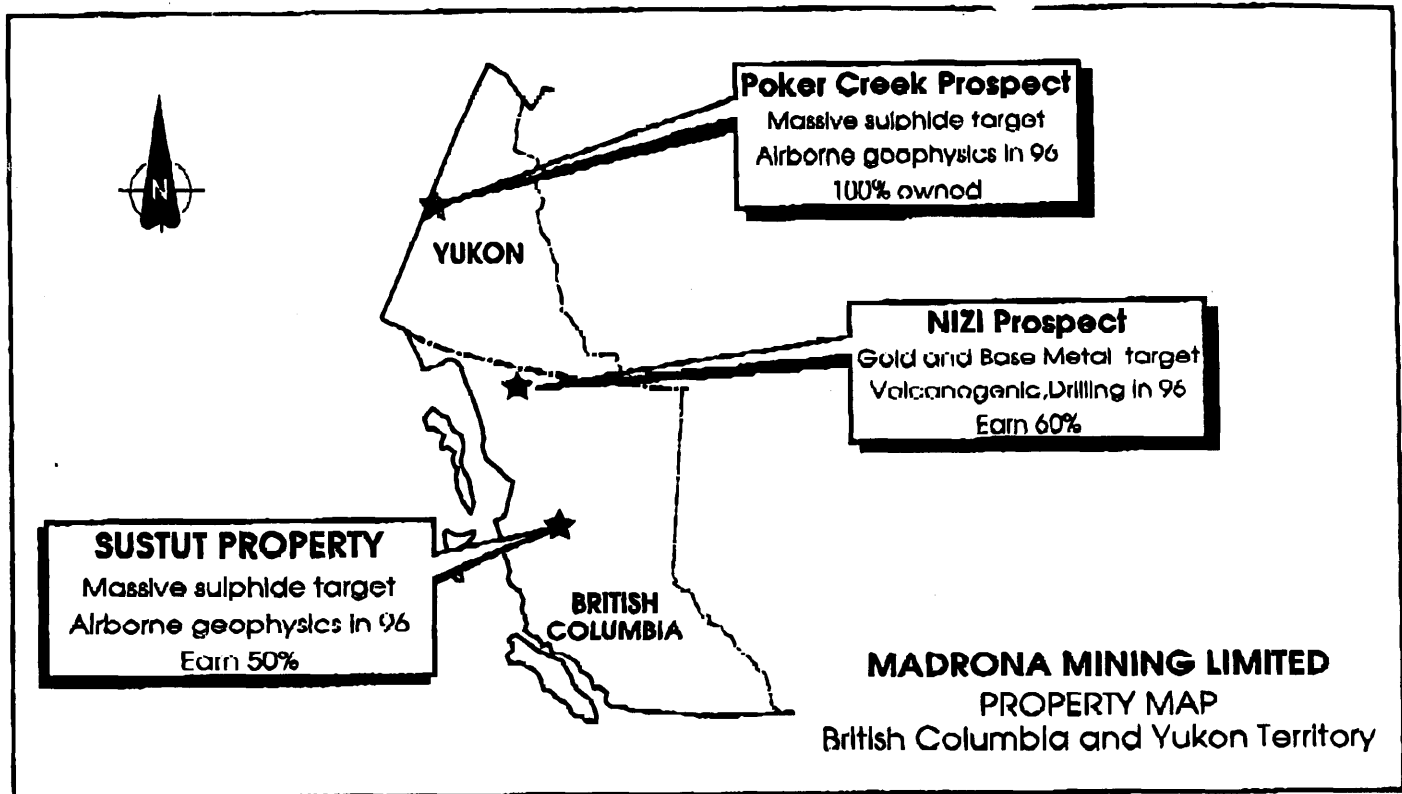
## Stock Symbol

Alberta Stock Exchange - MRA

## For Further information:

Michael Marchand, Ph.D. P. Geol. Director  
Exploration Office  
1125, 333 - 11 Avenue S.W.  
Calgary, Alberta T2P 1L9  
Phone: (403) 264-9491  
Fax: (403) 264-9070  
email: marchand@cuug.ab.ca

Gordon Steene, Director  
Head Office  
900, 840 - 7th Avenue S.W.  
Calgary, Alberta, T2P 3G2  
Phone: (403) 266-3399  
Fax: (403) 266-4855



### Nizi Prospect

A total of five holes totalling 3,000 feet from 3 sites were drilled in order to evaluate the gold and base metal potential of the prospect. A large portion of the core has been submitted for assay and geochemical analyses and results are expected in mid-October.

Previous drilling on the Nizi property located zone of sericite alteration averaged 5.73 grams per tonne (0.167opt) over 13.77 metres (45 feet). Values up to 1.2 oz/ton Au (gold) and 22.3 oz/ton Ag (silver) over 1.5 metres in a quartz vein stockwork in rhyolite were reported on surface. This summer's field program identified a prospective dacitic and rhyolitic volcanics overlying an andesitic base. The texture of the volcanics show extensive fracturing and breccia development with broad areas of disseminated pyrite. Fragments of banded massive sulphides are observed in some of the breccias. Management is encouraged by these preliminary results.

In a previously undrilled portion of the property near Zinc Lake, a surface grab sample assayed 1100 ppb Au (1.1 gm/Tonne) and this zone was the site of the final drill hole this year.

### Sustut Property

In a 50% joint venture on the Sustut 2,550 ha property located in the Omineca Mining Division of British Columbia 192 km north of Smithers B.C., an airborne geophysical survey was completed and a prospecting crew identified several new showings. Samples have been submitted for assaying. Previous exploration identified a significant occurrence of sulphide stringer mineralization and associated quartz-carbonate alteration and silicification in dacitic and rhyolitic volcanics. Adjacent to this stringer zone numerous large angular volcanogenic massive sulphide boulders in a siliceous dacite have been located. Boulders assayed up to 6.1% copper and 0.233 oz/ton gold.

### Poker Creek Prospect

On Madronna's 100% owned Poker Creek Prospect west of Dawson city in Yukon, an airborne geophysical survey has been completed. An additional 26 claims were staked to enlarge the property. This prospect covers the same rock units that host Cominco's Kudza za Kayah and Atna/Westmin's Wolverine volcanogenic massive sulphide deposits in Southern Yukon



*Tom Schroeter*  
604-775-0513

TGS → NIZI

**Madrona Mining Limited**  
900, 840 - 7th Avenue S.W. Calgary, Alberta, T2P 3G2  
Phone: (403)-266-3399 Fax: (403)- 266-4855

**ASE - MRA**

**Oct 30 1996**

**Nizi Project, Northern B.C.**

Michael Marchand, Director, is pleased to announce the results of the recent diamond drilling program on the Nizi Property in Northern British Columbia. This is a joint venture with Orogrande Resources Inc. (ASE - "ORG") whereby Madrona can acquire up to 60% of the property with a series of staged payments totalling \$120,000 and by carrying out the recently completed diamond drilling program.

A total of six holes totalling 3000 feet from 3 sites were drilled in order to evaluate the gold and base metal potential of the prospect. The rock units consisted of highly altered andesitic to rhyolitic volcanics cut by high level breccias showing multiple stages of fracturing and characteristics of epithermal low-sulphidization mineralization including open-space fillings and extensive pyrite development. As indicated in the assay results below, not only do significant intersections of gold and silver mineralization exist but also large zones of highly anomalous gold and silver values indicate a large precious metal mineralization system with potential for a bulk-tonnage low grade deposit in addition to that for high grade zones. Two styles of mineralization are identified in this volcanic environment: (a) an epithermal breccia system with numerous stages of fracturing and veining as typified by the high grade gold and silver intersection in hole 96-9 (378-388 feet) containing 10 feet of 13.5gm/t (0.48 opt) and (b) dacitic breccia flows with banded sulphides containing zinc, silver and gold mineralization as observed in hole 96-10 (358-373 feet) 0.45 gm/t gold (0.015 opt), 0.50% zinc and (428-453 feet) 1.87 gm/t gold (0.066 opt) and 2.00% zinc indicative of a volcanogenic massive sulphide environment. It appears that both environments are part of a volcanic continuum of essentially the same age that have characteristics similar to some of the younger environments found today in SE Asia. Additional field programs will be carried out to further define the high grade precious metal epithermal mineralization and the base metal-rich volcanogenic massive sulphide mineralization.

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Drill Hole	Interval feet	Width feet	Gold gm/t	Silver gm/t	Zinc percent	Lead percent	Copper percent
96-9 including	17-32	15			0.55		
	5 feet	5	1.62	211.5		0.62	
	178-193	15			2.10		
	353-368	15	1.33		1.69	0.79	0.46
	378-388	10	13.50	146.8	2.85	0.10	
96-10	103-123	20	0.39	71.2	2.28	0.35	
	168-183	15			2.49		
	183-198	15		508.9	2.28		
	358-373	15	0.45		0.50		
	428-453	25	1.87		2.00		
96-11	337-338	1			19.90		
	381-382	1	1.28				
96-12	213-228	15	1.16	733.4	7.81	3.42	
	228-248	20			0.30		
	383-393	10	1.30	42.8	5.67	3.00	0.80
	408-433	25	1.98				
	incl 5 feet				1.69		
	443-448	5			1.57	1.10	1.14
	483-488	5			1.10		
96-13	123-138	15			1.51	0.70	
	138-143	5	4.99	1728.2	0.48		
	253-263	10		157.1			
	323-328	5	0.94				
	355-358	3			1.69		
96-14	53-58	5			1.75	1.00	

## Corporate Update

The board of directors is please to announce the appointment of Dr. Michael Marchand as Vice-President-Exploration, responsible for all exploration activities of the company.

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

For Further information:

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Exploration Office  
1125, 333 - 11 Avenue S.W.  
Calgary, Alberta T2P 1L9  
Phone: (403) 264-9491  
Fax: (403) 264-9070  
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