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TB→ POLY (new)

Apr. 9/01

SUMMARY:

POLY PROPERTY EXPLORATION POTENTIAL

The Poly 1-7 Claims (Table 1; Maps 1, 2; Figures 1, 2, 2A, 3, 4, 4A) are located about 42 km east of Stewart or about 18 km west of Meziadin Lake, in the Entrance Peak Area of the Stewart Gold Camp of Northwestern British Columbia.

Interest in the general area i.e., the south western contact of the Eocene Entrance Peak quartz monzonite pluton (Figure 2A), was first generated in 1991 via the application of the same exploration rationale that we used to discover the Red Mountain gold-copper deposit i.e., on the very first traverse. Such rationale on the Poly Property includes the presence of the aforementioned intrusive rocks; favourable alteration (including silica, sulfides, sericite, jarosite/alunite, hematite, arsenopyrite) in Hazelton Group rocks (tuff, tuff-breccia and interbedded sediments) proximal to the intrusion; and favourable structural fabric, including apparent structural junctions.

Further interest was stimulated by the almost immediate discovery of mineralized talus blocks on the north edge of old Hwy 37A, which returned up to 56.85 g Au/t, 520 g Ag/t, and 15.2% Zn. Follow-up of the apparent polymetallic target led to the discovery of the Stewart Highway Zone, situated about 800 m north of old Hwy 37A (Maps 3, 4). The zone is located near the contact of brecciated and silica flooded Hazelton volcanic rocks and argillites of the Salmon Arm Formation, on the west side of the pluton.

The zone is postulated to be associated with a number of generally north-northwest trending, west dipping structures, one of which is exposed in the upper reaches of Boundary Creek (Map 3). The exposed structure is up to over 10 m wide and hosts quartz-carbonate stock works and veins, up to over 1 m in width. The veins are mineralized with disseminations and stringers of pyrite, pyrrhotite, arsenopyrite, galena, sphalerite, chalcopyrite, and tetrahedrite. Associated minerals include jarosite/alunite, ankerite, potassium feldspar, hematite, chlorite, sericite and fuchsite. The veins are hosted by pyritized and silicified, green volcanics and black argillite, with the structure postulated to be located near their contact. Fuchsite, epidote and chlorite often halo the veins.

Chip samples returned up to 9.85 g Au/t, 1163 g Ag/t, 0.33% Cu, 0.54% Pb and 0.33% Zn across a 3 m width (Map 3). Sampling of a sulfide rich section of a quartz vein returned 123.3 g Au/t; 1897 g Ag/t; 0.85% Cu, 5.79% Pb and 0.47% Zn over 15 cm. The exposure of the Stewart Highway Zone was initially traced over a 130 m strike length in Boundary Creek, at an elevation of 975 m, and to about 1 km north of Hwy 37A. The zone remains open to the north and south, where it disappears

under talus.

A sample taken from a narrow, pyritized quartz vein located in East Boundary Creek, about 400 m east of the Stewart Highway Zone, contained 1.5 g Au/t, 6.2 g Ag/t, 121 ppm Cu, 508 ppm Pb and 708 ppm Zn. This sample, when referenced with specific stream sediment geochemistry, particularly arsenic i.e., one of the main signatures of the mineralization, suggests a rather large target area, which is postulated to include a number of mineralized, orthogonal structures and which remains open in most directions. For example, the most northeasterly stream sediment sample, 39570, taken on the main branch of East Boundary Creek about 450 m east of the Stewart Highway Zone, contained 58 ppb Au, 8.5 g Ag/t, 202 ppm Cu, 302 ppm Zn and 183 ppm As (Map 3). Moreover, the most northerly stream sediment sample, 39537, taken on Boundary Creek above the zone contained 70 ppb Au, 148 ppm Cu and 288 ppm As.

More recent discoveries in 1999 provided indications of an even larger target. An area of sulfidized, silicified tuff breccia, i.e., the 37A Showing (Map 3), is located between and under the old and new Hwy 37A. The favorable geology (Map 11) and oxidized, thin to >1m thick, B horizon soil cover developed on it, have a polymetallic geochemical signature (Au, Cu, Pb, Zn, Ag, As) indicative of another 100 m, southeastern strike extension of the prospective environment located north of the old Hwy 37A. An apparent bedrock sample taken in 2000 from the south end this extension, a few meters north of the new Hwy 37A, returned 604 ppm Cu, 2650 ppm Zn and 2650 ppm Pb.

In 2000, this signature was traced via prospecting and reconnaissance geochemical float rock and soil sampling for an additional 200 m to the southeast to beyond the power line corridor above Strohn Creek Valley (Maps 6-11). The signature has an east-west component north of the new Hwy 37A of up to over 350 m that remains open for delineation. It has also been traced an additional 500 m to the east-southeast (Map 5), to beyond the avalanche station at Windy Point. The 1500 by 500 m target area thus remains open in all directions, except to the northeast where the Entrance Peak quartz monzonite pluton is located.

The majority of the 2000 soil samples have a polymetallic geochemical signature (mainly Au, Cu, As, Pb, Zn, Ag) that is usually indicative of important mineralization in the Stewart Camp. Based on our extensive exploration experience in the camp, the key elements of the signature are Cu, Au and As. Zn and Pb are also important components, usually as haloing/zoning elements to the Au-Cu mineralization. For example, the significance of the soil Au, Cu, Pb, Zn and As geochemical results shown on Maps 5-10 becomes readily apparent when compared to the respective threshold values for such elements as established by our regional work in mineralized and barren Hazelton Group terrains in the Stewart Gold Camp i.e.:

POLYMETALLIC GEOCHEMICAL ANOMALIES:
A. SOIL ANOMALIES:

- **Cu regional threshold value of 45 ppm: 132 of the 137 soil samples collected, have anomalous Cu values ranging between 45 and 317 ppm and averaging 148 ppm; this is one of the largest and apparently most consistent Cu anomalies Geofine has discovered on a reconnaissance basis in Stewart Camp;**

- **Au regional threshold value of 10 ppb: 97 of 106 soil samples have anomalous Au values ranging between 10 and 390 ppb, and averaging 43 ppb; another 28 samples analyzed with a detection limit of 30 ppb have Au values of "<30 ppb": it is suspected, as has happened on other properties, that many of these <30 ppb values will yield anomalous Au values when re-analyzed with a detection limit of 5 ppb);**

- **As regional threshold value of 24 ppm: 121 of 137 soil samples have anomalous As values ranging between 24 and 150 ppm and averaging 71 ppm; the As anomaly along with the correlating Au and Cu anomalies are excellent confirmation of the target rationale;**

- **Zn regional threshold value of 130 ppm: 120 of the 137 soil samples have anomalous Zn values ranging between 130 and 358 ppm and averaging 217 ppm;**

- **Pb regional threshold value of 15 ppm: 107 of the 137 soil samples have anomalous Pb values ranging between 15 and 144 ppm and averaging 30 ppm; as noted above, the Zn and Pb anomalies are considered very important attributes of the target rationale.**

The analytical results for the 2000 rock samples are also indicative of the of the polymetallic target:

POLYMETALLIC GEOCHEMICAL ANOMALIES:
B. ROCK ANOMALIES:

- **Rock Cu Anomalies: Of the 50 samples of sub crop and float rock, and one sample of bedrock, 48 of the them have anomalous Cu contents ranging between 74 and 14200 ppm. Excluding the latter value, the 47 samples average 205 ppm Cu.**

- **Rock Au Anomalies: Of the 50 samples of sub crop and float rock, and one sample of bedrock, 27 the have anomalous Au contents ranging between 10 and 33220 ppb. Excluding the 2 highest values (33220 and 9930 ppb) the remaining 25 samples have average gold contents of 63 ppb.**

- **Rock As, Zn, Pb Anomalies: Of the 50 samples of sub crop and float rock, and one sample of bedrock, 6 samples have anomalous As contents ranging between 40 and >10,000 ppm; 18 have anomalous Pb contents ranging between 16 and 4570 ppm; and 19 samples have anomalous Zn contents ranging between 136 and 11900 ppm.**

The analytical results of the 2000 stream sediment samples are readily definitive of the Highway Zone/37A Showing Target Area:

THE POLYMETALLIC GEOCHEMICAL ANOMALIES:
C. STREAM SEDIMENT ANOMALIES:

- **Sediment Cu Anomalies: all of the 8 sediment samples have anomalous Cu values ranging between 66 and 151 ppm;**

- **Sediment Au Anomalies: 7 of the 8 sediment samples have anomalous Au values ranging between 10 and 151 ppb;**

- **Sediment As Anomalies: all of the 8 sediment samples have anomalous As values ranging between 24 and 246 ppm;**

- **Sediment Zn Anomalies: all of the 8 sediment samples have anomalous Zn values ranging between 162 to 3190 ppm;**

- **Sediment Pb Anomalies: 7 of the 8 sediment samples have anomalous Pb values ranging between 18 and 48 ppm.**

The discovery of the Stewart Highway Zone in 1991 constituted a new showing that was not worked historically. The zone was going to be drilled in 1993 by SMDC but a complete property package could not be obtained. The apparent extension of the favorable environment into a mainly overburdened covered area, as indicated by polymetallic geochemical anomalies in soil, sub crop, and sediment samples has apparently never been discovered or investigated historically. The signature is deemed to provide substantial evidence of a large, important exploration target, none of which has ever been subjected to historic geophysical surveys or diamond drill testing. An indication of the significance of the target is provided by the analytical results from an angular, massive sulfide boulder found in 2000, about 50

m north old Hwy 37A: the sample returned 33.2 g Au/t, 5894.9 g Ag/t, 1.42% Cu, 0.46% Pb and 1.19% Zn.

As noted above and unlike most targets in the Stewart Camp, the target area is characterized by infrastructure: the old Hwy 37A; the new Hwy 37A about 100 m south of the old highway; and, the Stewart Power Line corridor, about 100 m south of the new highway. The southern area of the target area is relatively flat, and is conducive to exploration activities for much of the year.

The Au-Ag-Cu-Pb-Zn target is postulated to be associated with silicified and, sulfidized, structurally controlled zones that should have associated IP chargeability and resistivity anomalies. Since most of the target area remains essentially unexplored, line cutting and a 10 km IP survey is proposed to delineate and to prioritize drill targets. Geological and geochemical surveys should be conducted on the grid lines over the anomalies to further facilitate prioritization. Such a program should include the permitting process for the geological, geochemical and geophysical surveys, which would commence in June; and for diamond drilling, including the posting of the required reclamation bond. If results are favourable, initial drill testing could commence in August/September.

As shown on Map 4, numerous other targets are suggested by historical reconnaissance work on the property. For example, all the 2000 stream sediment analytical results shown Map 11 of the Galena Creek Area are anomalous, except the two "<30 ppb" gold values, thus confirming the importance of a target that awaits detailed follow-up.

Schroeter, Tom EM:EX

From: Schroeter, Tom EM:EX
Sent: Monday, April 09, 2001 9:39 AM
To: 'geofine'
Subject: RE: BC EXPLORATION ACTIVITY

Both Paul Wojdak and I plan to visit Todd Creek this year, assuming we can get the timing right. Tom.

From: geofine[SMTP:geofine@home.com]
Sent: Monday, April 09, 2001 9:35 AM
To: Schroeter, Tom EM:EX
Subject: Re: BC EXPLORATION ACTIVITY

<<File: polysummgovt.doc>>
Thanks for info, Tom.

I have worked for Newmont in early 1990's on a consulting basis, reviewing Canadian exploration targets.

BC was highly recommended - both porphyry gold-copper and Eskay Creek VMS type.

Todd requires big bucks and a major commitment > have never seen so many prospective targets on one property > 21 holes are spotted in the field ready to drill..

Hope you can visit soon. The Poly Property at Entrance Peak is also intriguing > see description attached.

Best regards,

David Molloy

----- Original Message -----
From: "Schroeter, Tom EM:EX" <Tom.Schroeter@gems6.gov.bc.ca>
To: "'geofine'" <geofine@home.com>
Sent: Monday, April 09, 2001 12:20 PM
Subject: RE: BC EXPLORATION ACTIVITY

> Re-RDN: Suggest you check: www.em.gov.bc.ca/geology for descriptions in
> "British Columbia Mineral Exploration Review (1998 and 1999)". Also -
> www.rimfireminerals.com This junior (who owns the RDN and Thorn propeties in
> NBC) has spent the last 5 years 'attracting' Newmont into BC. During the
> early stages, I provided info to the junior which apparently was very
> helpful in 'dealing' with Newmont. So - Newmont should be fully
> 'up-to-speed' on doing business in BC. If you feel it's useful, plese don't
> hesitate to ask Richard Gorton or whoever you are dealing with to contact