

VOS - MR Aug. 9''
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→ RED
MTN.

Apparently things were progressing well with GSB-Tatogga crew (Chris Ash & Teresa Fraser).

ESKAY CREEK - [MI-104B008]

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On August 17th and 18th Paul Wojdak and I visited the Eskay Creek project. We drove in the new (60km) access road. The part just up to and past Volcano Creek, which was cleared out last year, was in excellent shape. The remainder was under active work, including log hauling and bridge construction. The snow piled off to the sides of the road remained covered with dirt, etc. Site contacts included Ron Britten, Dave Kuran, and Andrew Kaip (Homestake-Exploration), and Tina Roth (MDRU-PhD candidate). Drilling this season consists of 3 deep holes on Adrian's IKS claims on the WNW side of Andesite Creek Fault (i.e. northwestern 'extension' of 21B zone type mineralization); 1 hole to test a deep (600m) northerly-trending I.P. anomaly and a semi-conincident mag high (i.e. fault brought up favourable Salmon River stratigraphy?); and 2 holes on the GNC claims testing 'transitional' (mudstone) targets on the east side of the anticlinal limb.

We examined the excellent road and quarry exposures created by the development for the mine. A new exposure of massive sulphides in mudstone/argillite was discovered in the "Rock Quarry", approx. 150m up into the Salmon River Fmn. andesitic rocks (hangingwall) - vertically above the "109 zone". This confirms the further potential for discovering additional mineralization in the hangingwall. In the hangingwall section abundant new fossils were uncovered in road cuts, including tree fragments, 'squids', and other marine creatures. We toured the underground workings, spending most of our time in the 865 crosscut. The walls have dirtied up considerably since previous visits. Places look like a "forest" with all the cribbing and bolting required underground. On the mine construction side, everything is progressing very well. It is hoped/expected that many of the contractors will be leaving the site by the end of September. It certainly looks like a first class mill site (see photos).

TREATY CREEK [MI-104B078]

On August 17th we had a "Show and Tell" from Andrew Kaip who was in charge of the Treaty Creek project on behalf of Homestake. The epithermal targets located 20 km east of the Eskay Creek site; access is by helicopter. The property is under option from Teuton Resources. Seven areas of mineralization have been identified in this glacier-abundant area. In 1993 trenching in the Eureka zone in altered rhyolite and K-feldspar prophyry returned values of up to 0.125 opt Au (4.3 g/t Au) over 9.1m. Teuton's prospector had found grab samples up to 7 g/t Au. The highly altered acid sulphate system contains pyrophyllite, diaspore, alunite, quartz, and native sulphur. I suspect Homestake believe they are looking at the top of an epithermal system, above an intrusive source. Typical geochemical signatures include Au, Ag, Sb, and As. The drill was just being mobilized on to the property. A minimum of 6 holes are planned, concentrating on the Eureka and Main zones.

RED MOUNTAIN [MI-103P086]

On August 19th I visited the Red Mountain gold property with Paul Wojdak, Ron Smyth, and Dani Aldrick. Hans Smit provided an excellent overview/update on this summer's work in the Lac office in Stewart. Two drills were at work underground, two on surface, and a third surface drill was expected soon. Approx. 16,000m of surface drilling is planned; the underground program is dependent on results. The total project budget is \$20 million, which includes costs for road and tram construction, as well as the beginning of the underground development decline from the 1750m portal level. The tram will be 2.3 km in length and rise over an elevation of 1200m. The access road up Bitter Creek has been progressing well; however, it crosses abundant avalanche corridors and comes precariously close to the 'raging' Bitter Creek in places. Closer to the site, abundant rock work will be required to connect with the lower tram station. The access/development decline, currently being started, will be 1.3 km in length to reach the Marc, AV, and JW ore zones and will also come under the newly discovered 141 zone. In order to keep to a development/production decision schedule, both the access road up Bitter Creek and the tram line must be in by next year. The mining (long hole) and milling is planned to take place underground, with a crusher installed in the ore zones and a conveyor used to transport ore 'up' the decline.

To date (publically announced by audit, June 1994) probable and possible reserves total approx. 1 million ounces of contained gold (2.5 million tonnes grading 12.8 g/t Au and 28.6 g/t Ag). Undoubtedly Lac has a new 'internal' figure but has not announced any (cf. take over bids by Royal Oak and American Barrick). A 'reserve' specialist is due on site shortly. All we were told (unofficially) was that this season they had "lost some and found some new mineralization". The new areas of intense activity are the 141 zone, the area below (150m) the Marc, AV, and JW zones, and the ridge to the SE of Goldslide Creek. The underground development has been extended this year to 350m under Red Mountain.

At least 3 phases of intrusion have now been recognized related to the 202 Ma Goldslide Intrusion. This year's work has shown that the mineralization is hosted primarily in a brecciated zone(s), both within hornblende-feldspar porphyry and sedimentary rocks. Mineralization, as currently known, is contained within a 10 to 180m thick area of brecciation with grades from 0.5 to 1.5 g/t Au. As fluids rose quickly from the underlying Goldslide Intrusion they quickly lost their hydrostatic pressure (damping by a quartz porphyry dyke and or 'channelling' into favourable host rocks (i.e. breccia). The result was the creation of a 50m to 250m halo of quartz-sericite - pyrite alteration. The top of this QSP zone or 'horizon' has been traced by drilling over a strike length of greater than 700m with grades ranging from 0.3 to 3 to 5 g/t Au.

The Marc zone is 235m long, up to 150m high and 3 to 30m in thickness. The average ore grade is 12 g/t Au; the cut-off used is 3 g/t over 3m. The best drill assay intersection on the property has been 200 g/t Au over 22.6m (cut from a single high of 1462 g/t Au, or 42.64 opt Au). The Ag: Au ratio is 3:1, but decreases in the AV zone. Mineralization is almost entirely in altered and brecciated hornblende porphyry.

The AV zone consists of brecciated and altered intrusive rocks 'bounded' by a quartz porphyry dyke. The best drill intersection has been 15.64 g/t Au over 22.6m.

The JW zone has now been traced by drilling over a strike length of 200m and is open. An example of ore intersection is 12.82 g/t Au over 5m. Geochemically, Red Mountain is characterized by a strong As, Sb, Cu, and Zn signature, as well as Na depletion and strong K-spar (note: still uncertain how much is primary vs secondary).

We examined core in the Lac office, focusing on the alteration and mineralization. In the afternoon, we were toured underground by Rob McLeod and David Rhys. We examined in detail the 1295 cross-cut in the Marc zone, as well as other exposures down to the bottom of the decline. David Rhys (MDRU study on Snip deposit) pointed out a narrow banded calcite-pyrite "Snip-like" vein cutting mineralized intrusive rocks (i.e. potential for "higher" grade Snip-like mineralization). Lac hopes to enter the MDAP in earnest this fall. With all the attention provided by the takeover scenario, all ears are on this project.

GSC - REGIONAL

Unfortunately, at the time of our visit, Charlie Greig was off on a week's break. Lac indicated that Charlie is now wondering if some or all of the country rocks (other than intrusions) might be as old as upper Triassic (cf. early to mid-Jurassic).

ASHWOOD - [MI-?]

On August 20th I visited the Ashwood property located 18 km south of Stewart. Ron Smyth, Dani Alldrick and Paul Wojdak from EMPR were also on the trip. 'Hosts' included John Kerr (Managing Director, Exploration for Aquaterre Mineral Development Ltd. (owner), Ron McMillan (Consulting Geologist for Aquaterre), and Scott Weeks (geologist with Pamicon-in charge of upcoming drill program). The property is the target of exploration for both VMS-style polymetallic and epithermal-style gold-silver mineralization in what is mapped as "pendant" of Hazelton Group strata. We traversed over the "1100" and "Ridge" gold zones, and part of the "N" zinc rich zone. The 1100 gold geochemical soil anomaly is more than 300m long (values up to 0.14 opt Au) occurring near felsic intrusive Porphyries in a (company) suspected epithermal environment [TGS disagrees]. The "N" zone and the "Tat" zone between felsic volcanic rocks and sedimentary rocks which has been traced for 6km along strike. Float samples returned assays up to 10.5% Zn. Aquaterre plans to drill 1900 metres to test these zones this fall. Unfortunately, they may have to fight the weather to complete the program as proposed.

MM100

On August 20th Paul Wojdak and I visited the KRL's field office in Stewart and had a "Show and Tell" by John Nicholson and Andris?, contractors to Prime Equities Int'l Corp. who have an option on a large group of claims (200 contiguous units) surrounding the MM100 claim group, located 10km NE of Stewart. A total of 12 main showings or mineralized areas are known on the property. Of these 7 have been explored by underground and 3 have shipped ore. The main targets this season are the Stewart Central highly altered contact zone between sedimentary rocks on the east and volcanic rocks on the west containing >10% po plus minor cpy, and the showings in the vicinity of the MM100