

YORKTON'S NATURAL RESOURCES DIVISION

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TO: ALL BRANCHES/CIRC TO ALL RR's
FROM: Robert Sibthorpe (Vancouver Branch)
DATE: January 31, 1991

RE: EURUS (ERR - 4.8 million shs) and THIOS (THI - 8.4 million shs)
Rock & Roll Property - Iskut River Area

This morning Prime Equities issued a progress report on this topical property. Briefly,

1. 14 closely spaced holes drilled in January testing polymetallic (Gold-Silver-Lead-Zinc-Copper) Black Dog Horizon. No assays available, will be released in one batch approximately 2-3 weeks.
2. 9 of 14 intersected favourable horizon in 3 main zones averaging 7 meters each. Sulphide mineralization visually "compares favourably with mineralization seen on surface in the nine holes drilled into the horizon in 1990".
3. Project will continue, \$1.5 million budgeted.

We need assays and a review of available data for a definitive comment/recommendation but a few interpretive notes;

- drilling appears to have blocked out possibly 1 million tons of mineralization with a gold equivalent grade of about 0.2 opt.
- zone appears open along strike both ways and, ambiguously, down dip. Geophysical data supports probability of at least a modest strike extension.
- evidence to date supports a Eskay Creek type model for mineralization. This is a very high potential type deposit model.
- location and "infrastructure" for the property are about as good as you get in the Iskut area.

To my mind this situation looks very promising although I'm sure others will prefer to wait for assays before acting. The stock (Eurus) will probably fluctuate around the \$2 level until these are available and logically the stocks involved can only be rated as speculative buys at best. However, if assays surprise on the upside and further drilling shows continuity along strike Eurus/Thios could have Calpine-type runs next month and I think this one should be played from the long side. We will continue to monitor.

R. Sibthorpe