



BRITISH COLUMBIA

Ministry of Energy and Mines
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Geological Survey Branch

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FAXED

FAX SHEET

Mineral Development Office

Date:	Mar. 2/99	Time:	9:45 AM 7:25 AM	Total Pages (incl. cover):	60
TO:	George Stewart				
Organization:	New Nadim Expl'n				
Fax:	250	445	6177	Phone:	
FROM:	Tom G. Schroeter, P. Eng. Senior Regional Geologist Phone: (604) 660-2812 Fax: (604) 775-0313				
cc:					
ACTION:	<input type="checkbox"/> In response to your request <input checked="" type="checkbox"/> For your action <input checked="" type="checkbox"/> For your information <input type="checkbox"/> For distribution <input type="checkbox"/> For approval <input type="checkbox"/> For comment				
	<input type="checkbox"/> Urgent <input type="checkbox"/> Confidential				

COMMENTS: Re: "SILVER QUEEN FLYER"
 - Gettin' there.
 - Can you get ALL onto 2 pages (front + back)?
 - See you at PDA
 Cheers,
 Tom
 P.S. - ~~"No Answer" - first try~~

DRAFT

SILVER QUEEN (Nadina) B.C. - Gold Silver, Base Metal Deposit

Epithermal / Transitional

PROPERTY/INFRASTRUCTURE

- * 17 Crown Grants plus 6 located claims totaling 108 units 100% owned by New Nadina
- * NTS - 93L02E Minfile No: 93L001
- * 36 km south of Houston, B.C. (on maintained road to Huckleberry Mine)
- * 29 km south west of the Equity Silver Mine
- * Access to adjacent high voltage power line

HISTORY

- * ^{rich} 1912: Claims staked on silver, base-metal veins ~~located~~ in Wrinch Canyon.
- * Surface and underground development concentrated on vein targets within the microdiorite intrusive, near the area of the discovery.
- * 1967: Exploration ~~was~~ initiated in the gossans, south of the microdiorite. Discovered ^a huge alteration aureole in felsic volcanics containing intense argillic alteration, including pervasive pyrite.

~~Further activity in this area was hampered by complex property tenure, as well as differences in opinion regarding how best the property should be developed.~~

- * 1972-1973: Production at 600 tonnes per day from the ~~450,000 plus tonnes developed~~ within the microdiorite intrusive. The veins were poorly understood (dykes, sigmoid structures, lateral and vertical zoning, parallel veins) compounded by insufficient development all of which impacted on economic operations. There were 180,000 tonnes processed through the mill, ~~of which 40% was oxidized development ore,~~ yielding 108,205 grams Au and 15,044,428 grams Ag.

- * The major veins are vein faults striking north/south and dipping 65° east. The veins average over 1.22m in width and are mineralized over a km along strike and open to the south and depth. Banded rhodochrosite, ^{and} sphalerite occurs in the north discovery area phasing to massive pyrite, sphalerite, siliceous Au Ag ores to the south.

- * 1986 - 1989: Pacific Houston (under option) conducted extensive underground development within the microdiorite. It became insolvent in 1988, after spending ~~million dollars on the ground.~~ ^{#9 million} Near the end of their operation, (1988) drilling vein extensions in felsic volcanics to the south and west edges of the microdiorite intrusive encountered spectacular (e.g. up to 400 opt Ag - 1 oz Au) gold-silver assays. A comprehensive study of mineralogy and geology was undertaken by the University of British Columbia during this period.

- * 1990-1994: ~~The property was~~ recovered by New Nadina, who ~~presently owns it 100%.~~
- * During the past several years, a large part of the exploration data has been archived, digitized, and reviewed.. Recent programs have superficially explored the intense alteration peripheral to the microdiorite. ~~This is a huge area and it is only recently that geophysics became sophisticated enough to evaluate Zn Ag Au rich zones in pyritic rocks.~~

450?

@ 450 tonnes/day

Put under "Geology" setting

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**SILVER QUEEN (Nadina)
B.C. - Gold Silver Base Metal Deposit**

TARGET/MODEL

Use metric values →

- * Gold-silver, base metal deposit, disseminated to massive occurrences similar to Equity Silver mine of Placer Dome, located 29 km to the northeast. (Reference: Equity Silver paper - Economic Geology, vol. 79, 1984, pp. 947-968). Equity Silver ~32m tonnes yielded 66.8 million ozs Ag, 91,458 tons Cu, and 513,262 oz Au. *(1980-1994)*
- * Recent compilation, drilling and underground programs have identified a large horseshoe-shaped area wrapping around the microdiorite complex hosting all of the better precious metal occurrences. The area contains a volcanoclastic-filled basin of steeply-dipping mineralized porous rocks. Mudstones and interbedded breccias are intruded by rhyolite in the basin or caldera. A 7-tonne high grade float boulder has been found in the area of high illite alteration. This altered zone is mainly covered by deep overburden.
- * ~~This area is regarded as a prime target for bulk-tonnage precious metal deposits.~~
- * ~~Silver Queen holds the promise of becoming a productive gold-silver-zinc mine with credits in gallium, germanium and indium, as well as lead and copper.~~
- * Geology, rock alteration studies, geophysics and structural studies "indicate the property is situated within a ring structure, possibly developed around an intrusion at depth which acts as a source for mineralizing fluids." (Dr. G Millar 1998).
- * "The intrusion (microdiorite) is part of a much larger regional body within which the Silver Queen and Equity Silver deposits both sit close to the margin." (Dawson 1985).
- * The faults associated with the ring structure have created dilational zones or openings in the south and west areas, which host the recently discovered high-grade gold and silver base-metal occurrences.

epithermal vein
sulphide vein - transitional deposit
[Note: Equity is BC's th largest gold and th largest silver producer]

GEOLOGIC SETTING

- Silver-gold polymetallic veins in Tertiary ~~age~~ felsic volcanics and ~~intrusives~~ with disseminated silver occurrences in volcanic sandstone and breccias.
- 40 known veins; 12 have significant width and grade. Deep drilling demonstrates veins extend to more than 425m below surface.
- Grades improve with depth.
- Veins 1 - 2m wide dip steeply - widths up to 6m.
- Competent hanging and footwall to ore shoots.
- Mineralization over 4 km north-south, 3 km east-west and still open.
- Underground mine development (765m decline) with good access.
- Untested hydrothermal breccias interbedded with volcanic sediments (carbonaceous mudstones, breccias and interbedded rhyolite intrusions). Caldera located to the south of the microdiorite. These steeply dipping zones are 15 - 30m in width and over 305m in length - alteration studies of zone show illite alteration similar to known mineralization. Alteration studies show clay alteration is kaolin and sericite, becoming strong illite alteration in the structurally-controlled altered zones.

intrusions

MINERALOGY:

- a) ORE: sphalerite, chalcopyrite, galena, tetrahedrite, electrum, tennantite, pyrrhotite and proustite.
- b) GANGUE: rhodochrosite, quartz, pyrite, barite.

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**SILVER QUEEN (Nadina)
B.C. - Gold Silver Base Metal Deposit**

Summary

- 5 main vein systems
- majority of work on No. 3 vein
- little work on higher grade NG3 vein
- bulk tonnage targets untested

RESERVES:

CAMP VEIN - DRILL INFERRED RESERVES

205,000 Tonnes @ *g/t*

1 gram Au *g/t*

829 grams Ag *g/t*

4% Zn

No 3 VEIN - DEFINED* RESERVES

South End		Central / North End
365,000 tonnes @ <i>g/t</i>		400,000 tonnes @ <i>g/t</i>
8.3 grams Au <i>g/t</i>		2.95 grams Au <i>g/t</i>
400 grams Ag <i>g/t</i>		164 grams Ag <i>g/t</i>
7.6% Zn		5.43% Zn

* Drilled on 30m centers drift and stopes on upper levels.
Decline below south end 76m below drift.

FURTHER INFORMATION

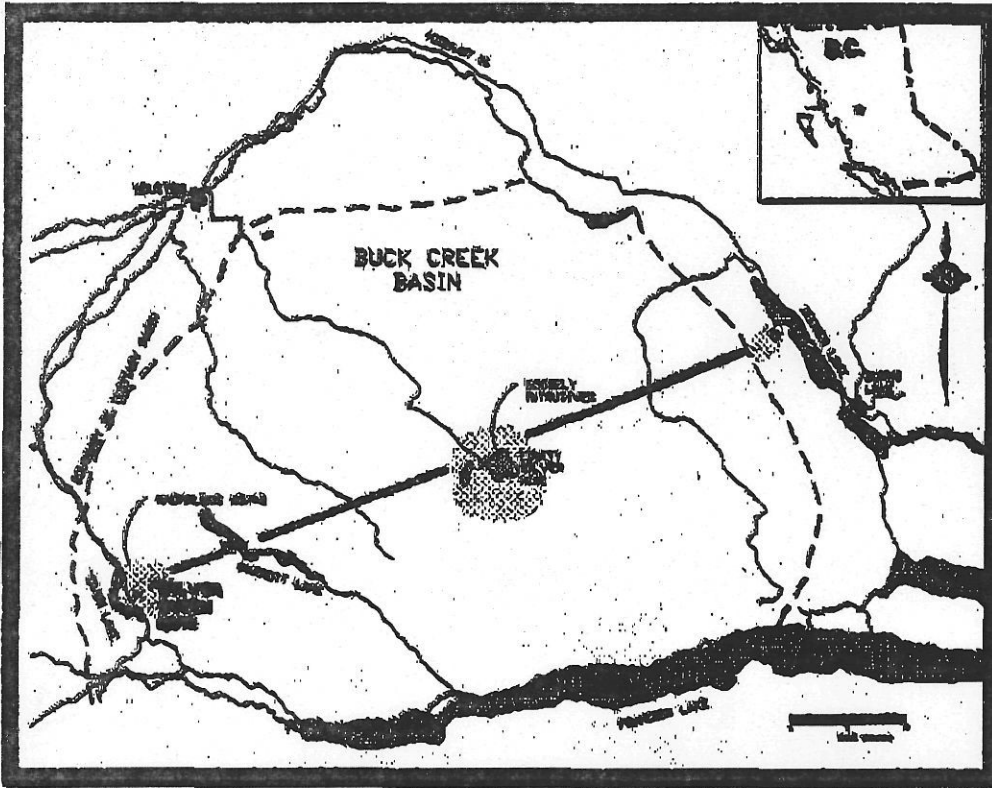
Review of extensive property data available at Greenwood, BC., drill cores at mine site.
Archival data and cores from 1967 - present - mine workings accessible - decline flooded.

Contact:

George O.M. Stewart
New Nadina Explorations Limited
298 Greenwood Street, Greenwood, BC
PH: 250 445 2260 Fax: 250 445 6177

Need: ① a 'property Geology' map with inset of figure showing regional setting (your figure)
② Vertical model 'capsule' (like BC Epithermal Model)
③ Reference - Leitch et al. - Earth Sciences, May 1992, Vol. 29, #5.

Need to
Reduce
Scale
C.P. as an
insert in
Property
Map.
Geology

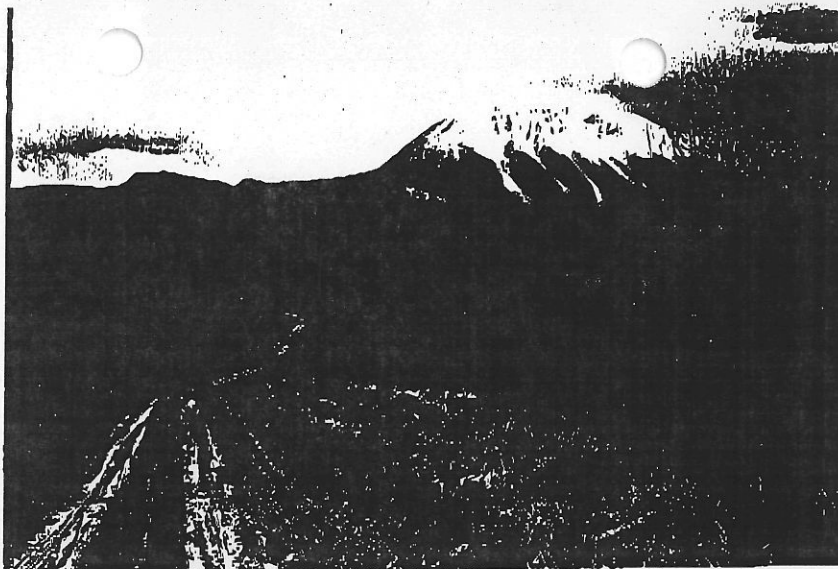


Discovery boulder - Silver Queen property.

Delete

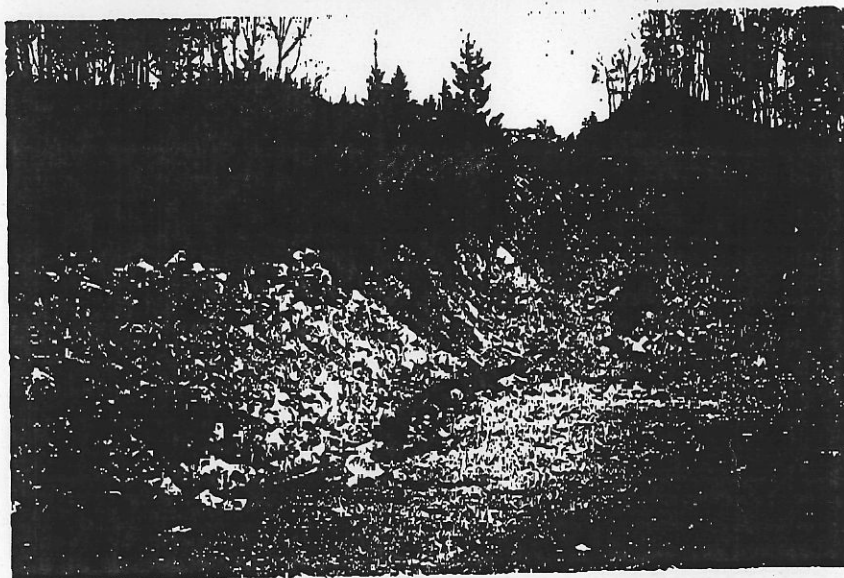
SCPIC
022699.

VIEW OF South
ALTERED ZONE FACING W



Good to
show regional
topography
(Better still - a good
aerial shot)

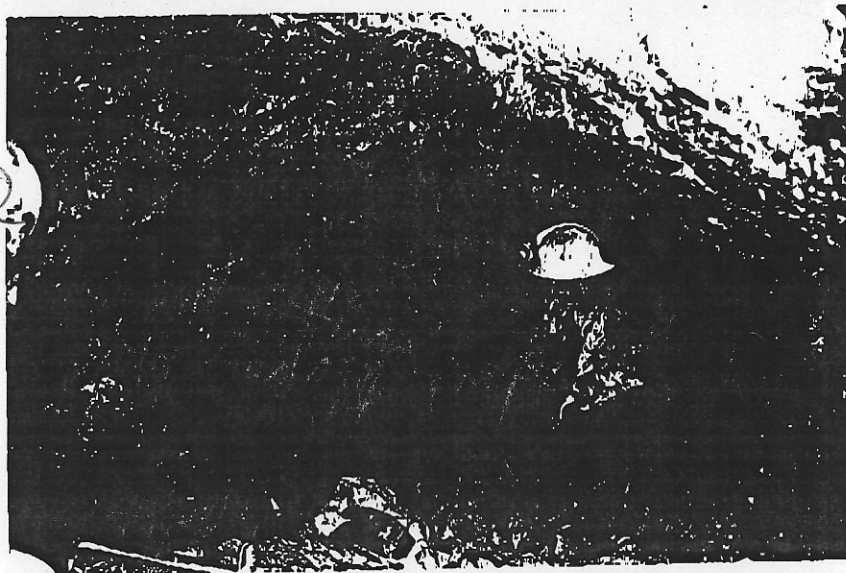
outcrop in
ALTERED Dacite
Volcanics - South end
High illite alteration



Delete

> 3m MASSIVE
Sphalerite high Au Ag
MAIN VEIN IN
South end false
VOLCANICS

Delete



THIS ENTIRE
FACE IS RED BROWN
w/ Sphalerite in color.

Tom We will color scan these & in spot where
appropriate. - Comments