

(Nadina)
B.C.

Gold-Silver-Base Metal Deposit
887571

Site
Quebec
Feb. 1973
from
Jew

SILVER QUEEN, Gold Silver Base Metal Prospect

DRAFT

PROPERTY/INFRASTRUCTURE

- * Owen claims and 17 Crown Grants totaling 125 units
- * 100% owned by New Nadina

~~* Upper Cretaceous Early Tertiary volcanics. Pyroclastics of andesitic to dacitic composition~~

LOCATION

- * 28 road miles SW of Houston, Silver
 - * 29 km south west of the Equity Mine
- NTS - 93 LOZE MINFILE NO: 932001

* From Highway 16, go 28 miles south on Owen Lake-Morice River Road (Huckleberry Mine Road) - 30 minutes travel time.

* High voltage power line to Huckleberry passes through property - connection rights negotiated.

EXPECTATIONS

* Initial exploration and development concentrated on base metal veins within the microdiorite intrusive complex. Recent studies, drilling and underground programs have determined that gold-silver values greatly improve to the south and at depth.

* The 1987 discovery of high grade silver veins to the west (ranging from 50 oz/t to 400 oz/t) initiated a re-assessment of the property.

Insert under target

Recent compilation, drilling and underground programs identified

* It clearly shows that a large horseshoe shaped area wrapping around the microdiorite complex hosts 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 and encountered in the basin or Caldera. A 7 ton high-grade float boulder has been found here. This altered zone is mainly covered by deep overburden.

of intense alteration high-aluminous (?)

- This area is regarded as a prime target for bulk tonnage precious metal deposits.
- The 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.

66.8 Moz
[32 M tonnes yielded 91,458 tonnes Cu and Ag]

The area hosts one world class open pit silver mine (Equity Silver) and there will be more.

HISTORY

claims staked

* ~~Claims staked~~ 1912 on base metal veins located in Wrinch Canyon.

* Both surface and underground development concentrated on vein targets within the microdiorite intrusive close to the area of the discovery.

Insert 1972-1973 (from next pg.)

* ~~1972~~ 1973 exploration was initiated in the gossans south of the microdiorite. This was the discovery of the huge alteration aureole containing intense argillic, ~~pyrite~~ alteration, including pervasively pyrite

resulted in

* Further activity in this area was hampered by property tenure as well as differences in opinion as to how best the property should be developed.

geometry? continuity?

use metric

DRAFT

(quote 'reserve'

* In 1972 - 1973, the property was placed in production at 500 tons per day on ore developed within the microdiorite intrusive. The veins were poorly understood and insufficient development hindered economic operations. In sixty three years, no significant work was done in the area to the south and west of the microdiorite.

200, 200 tons
filled
yielding 3,156 oz Au
438,786.02 Ag

1981 - 1982:
* Pacific Houston (under option) did extensive underground development within the microdiorite. They became insolvent in 1988. Near the end of their operation, drilling along the south and west edges of the intrusive encountered spectacular gold-silver assays in the adjacent altered volcanics.

(e.g. 50 + 400 opt Ag)

* The property was recovered and consolidated by New Nadina, who presently owns the property 100%.

* During the past several years a large volume of exploration data has been archived, digitized, and reviewed. Recent programs have superficially explored the intense alteration adjoining the microdiorite. This is a huge area and it is only recently that geophysics became sophisticated enough to evaluate sphalerite-precious-metal ore zones in pyritic rocks.

BACKGROUND

Zn-Ag-Au rich

* 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).

cut metal
This section
under target?

* "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 which host the recently discovered high grade gold and silver base metal occurrences. areas,

TARGET/MODEL

* Gold-silver base metal deposit disseminated to massive occurrences similar to the Equity Silver Mine of Placer Dome, located 29 km to the northeast.

invest
on
speculations

RESULTS GEOLOGIC SETTING

* 40 known veins, 12 with significant width and grade. Deep drilling demonstrates veins extend to more than 1,400' below surface. No rock change is suggested in 2,000' deep holes.

- Grades improve with depth
- Veins 3 - 4' wide dip steeply - widths up to 20'.
- Wall Rock competent.
- Mineralization over 4 km north south, 3 km EW and still open.
- Underground mine development (2500' 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 50 - 100' in width and over 1,000' in length - alteration studies of zone show illite alteration similar to known mineralization. Alteration studies show clay alteration is Kaolin sericite becoming strong illite alteration in the structurally controlled altered zones.

metric
develop

(see first page for details)
provide reference for Equity Silver paper - Economic Geology, Vol. 79, 1984, pp. 947-968

MINERALOGY: a) ore: Chalcopyrite, tetrahedrite, sphalerite,
b) Gangue: rhodochrosite, quartz, illite, sericite,

DRAFT

SILVER QUEEN PROPERTY
(100% New Nadina Explorations Limited)

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

CAMP VEIN - INFERRED RESERVES

225,000 TONS @
0.029 opt Au
24.2 opt Ag
4% Zn

use CIMM
terminology

No 3 VEIN - DEFINED RESERVES

South End
440,000 tons @
0.242 opt Au
11.7 opt Ag
7.6% Zn

Central / North End
510,000 tons @
0.086 opt Au
4.78 opt Ag
5.43% Zn

OPTION TERMS

* 51% - 60% can be earned by reaching a bankable feasibility and modest annual payments of \$25,000 per year increasing annually at \$5,000 per year.

extensive
Review of property data available at Greenwood BC.

Contact: George Stewart
New Nadina