

Aug. '85

Silver Tip  
887607

MIDWAY DEPOSIT

- LOCATION:
- 85 km W-SW of Watson Lake, Y.T., 75 km N-NW of Cassiar, 2.5 km S of Yukon border.
  - Lat. 59° 55' 35" N, Long. 130° 20' W
  - NTS: 1040/16, Liard Mining Division
- ACCESS:
- Via 25 km of single lane gravel road S from kilometre post 1128 (Mile post 701) Alaska Highway.
- TOPOGRAPHY:
- Moderately mountainous, elevations 900 - 2050m
  - 40% alpine, 60% timber.
- CLAIMS:
- Way, Bull, Climax, Post, Beth, Star, Renee, Toots = 967 units (93 claims).
- OWNERSHIP:
- 51% owned and managed by Regional Resources Ltd. (TSE, VSE).
  - 49% owned by Canamax Resources Ltd. (54% owned by Amax of Canada Ltd.) and Procan Exploration (B.C.) Ltd. (owned by Hunt Brothers, Houston, Texas).
- CONSULTANT:
- Cordilleran Engineering, Vancouver.
- CONTRACTORS:
- Canadian Mine Development, E. Caron Diamond Drilling.
- FINANCING:
- May 1984 agreement with Mineral Resources International (MRI) to provide \$8.4 million by buying 1.2 million flow through shares at \$7/share.
  - Will give MRI 25% interest in Regional Resources.
  - Interest assigned by MRI to Nanasivik Mines Ltd. (private firm owned 53% by MRI).
  - Nanasivik major producer of zinc, lead and silver.
  - MRI is public company (TSE) with assets of \$80 million and working capital of \$35 million.
- HISTORY:
- 1956 - Veins discovered on Silvertip property. Explored 1956 - 1968.
  - 1980 - Regional conducted stream sediment sampling and located Discovery Showing north of Silvertip showings.
  - 1981 - Option to Amax. EM, Mag, mapping, soil sampling, trenching, grid established, 6 DDH
  - Intersection of Lower Zone (Discovery deposit).
  - \$738,879 filed for assessment.
  - 1982 - Option from Brinco Mining, soil sampling, airborne EM/mag, airphoto survey, 15 DDH.
  - Discovery deposit defined.
  - \$1,470,000 filed for assessment.
  - 1983 - 32 DDH
  - Silver Creek deposit discovered.
  - \$1,855,535 filed for assessment.

- 1984 - Canamax and Procan decline option to acquire additional 11%, Wright Engineers study property, agreement with MRI, 50 DDH, decline started October 12, 1984, road upgraded, 40 person camp established.
- reserves exceed 6 million tons.
- \$2,160,977 filed for assessment.
- Total 1984 budget - \$6.2 million.
- Total spent to end of 1984 approximately \$11 million - 103 drill holes totalling 28,778 m.
- 1985 - 1420 m underground workings, 2100 m of underground drilling, projected total drilling 12,200 m for 1985.

COMMODITIES: - Silver, zinc, lead  
- Barite (Ewen deposit)

MAIN MINERALS: - Pyrite (marcasite, pyrrhotite), sphalerite, galena (silver bearing).

MINOR MINERALS: - Tetrahedrite, proustite-pyrargyrite, argentite, boulangerite, stannite, arsenopyrite, cassiterite, chalcopyrite.

RESERVES: As of end of 1984

<u>Deposit</u>	<u>Short Tons</u>	<u>Silver oz/ton</u>	<u>Lead %</u>	<u>Zinc %</u>
Silver Creek	2,847,920	13.04	8.45	9.98
Discovery	<u>3,813,307</u>	<u>10.84</u>	<u>5.40</u>	<u>13.34</u>
	6,661,227	11.78	6.70	11.90

Silver Creek reserves include 2 high grade cores.

Silver Creek N	796,242	19.7	13.96	11.69
Silver Creek S	<u>670,650</u>	<u>19.0</u>	<u>11.47</u>	<u>13.03</u>
	1,466,892	19.4	12.82	12.30

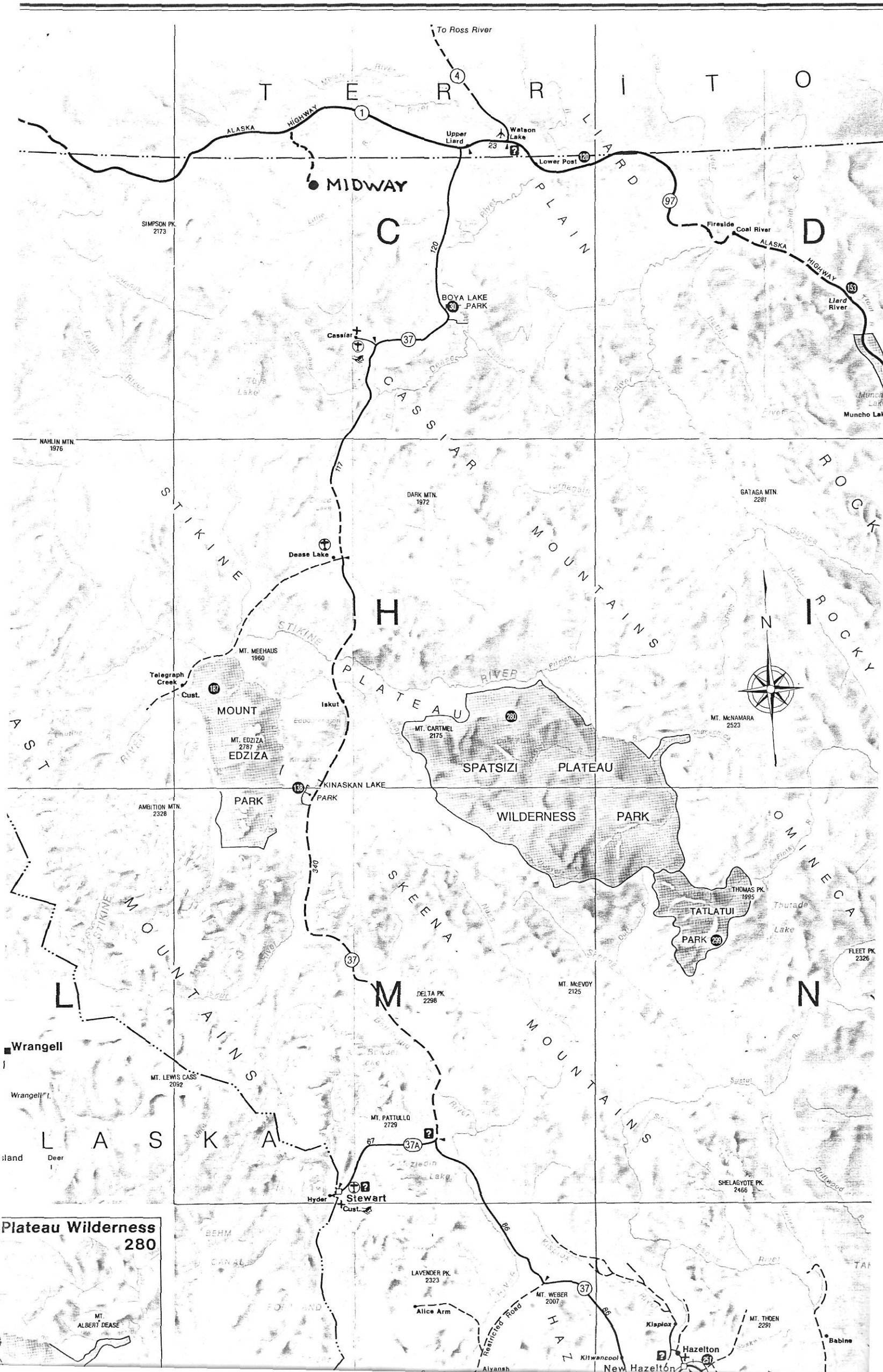
- Reserves based on:
  - (1) minimum thickness 1.8m
  - (2) cut off 8 oz/ton silver equivalent at \$6.25 U.S. per oz. silver, \$0.175 U.S. per lb. lead, \$0.393 U.S. per lb. zinc.
  - (3) projected polygons for each drill intersection - 23 m centers for Silver Creek (23 intersections), 45 m centers for Discovery (13 intersections)
- excellent potential to increase reserves.

POTENTIAL MINE PLAN:

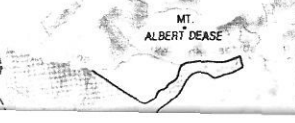
- 1000 ton/day production rate
- cut and fill and scraper-stoping (shrinkage) underground mining methods
- projected cost \$75 million.

OTHER PROPERTIES:

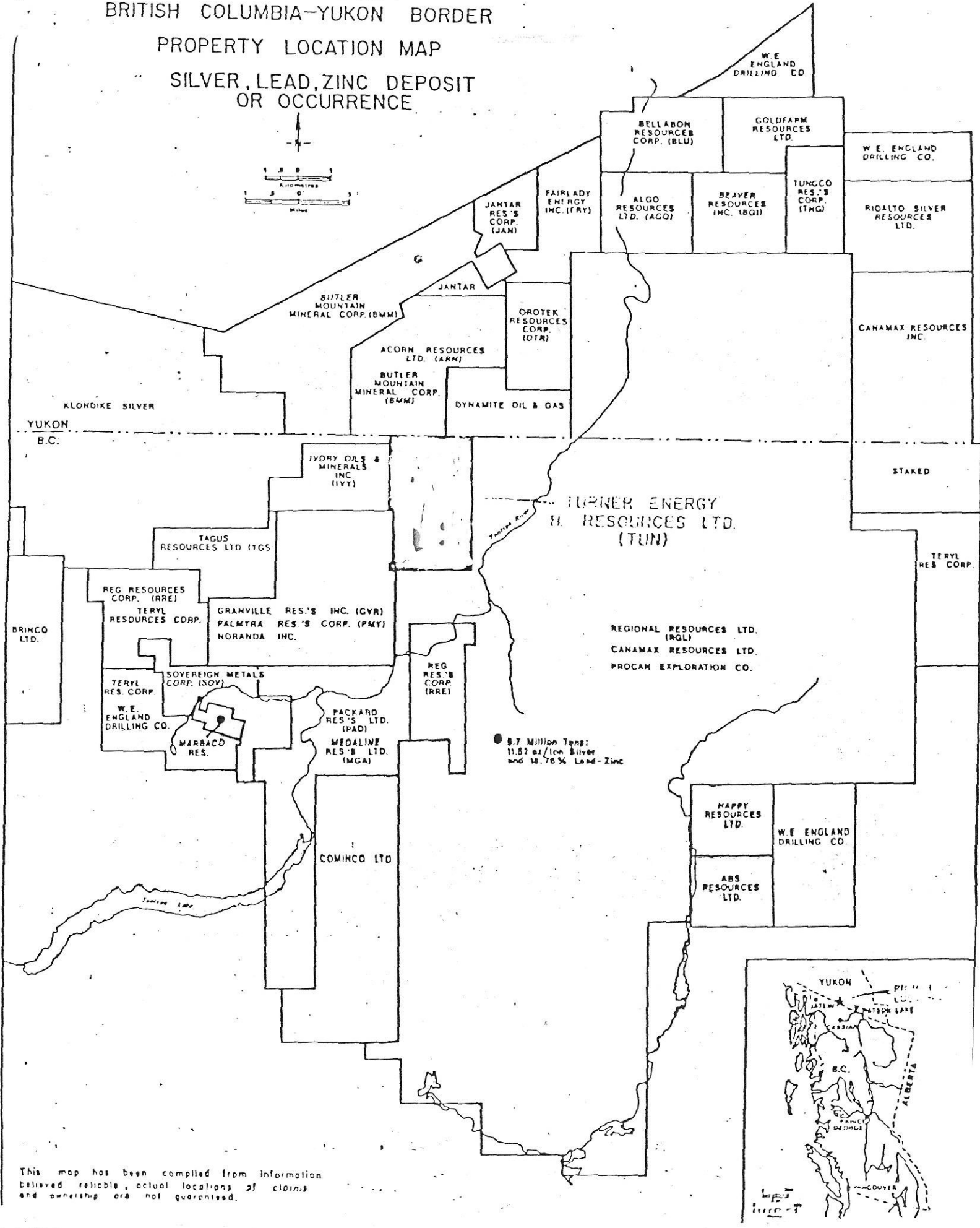
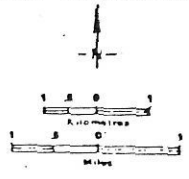
- several silver-zinc-lead veins in area are being explored.
- also EM conductors being drilled by Reg Resources west of Midway.



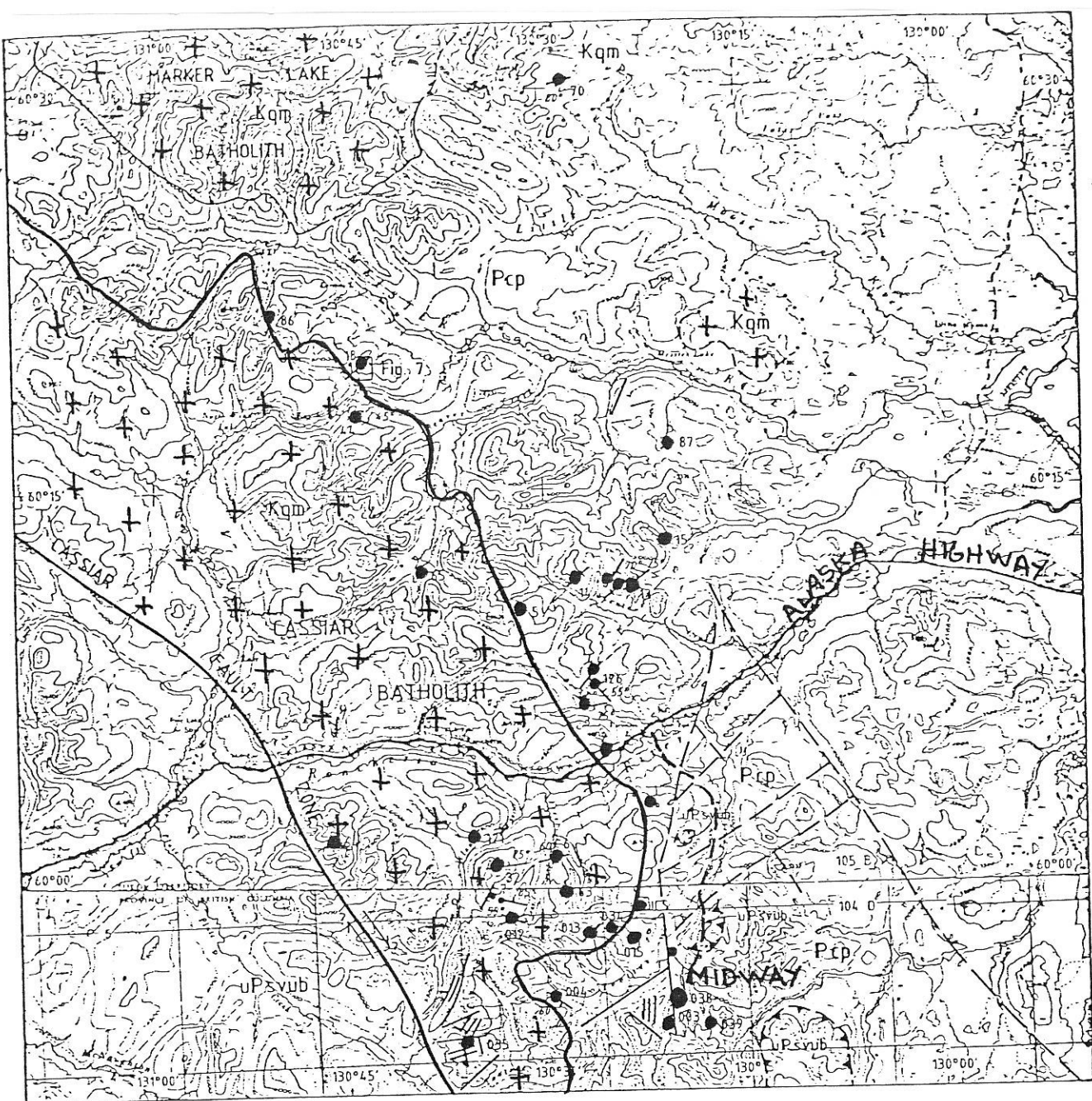
**Plateau Wilderness**  
**280**



MIDWAY AREA  
 BRITISH COLUMBIA-YUKON BORDER  
 PROPERTY LOCATION MAP  
 SILVER, LEAD, ZINC DEPOSIT  
 OR OCCURRENCE



This map has been compiled from information believed reliable, actual locations of claims and ownership are not guaranteed.



LEGEND

CRETACEOUS

++ Kqm Quartz monzonite

UPPER PALEOZOIC

uPsub Accreted sedimentary, volcanic, and ultramafic rocks

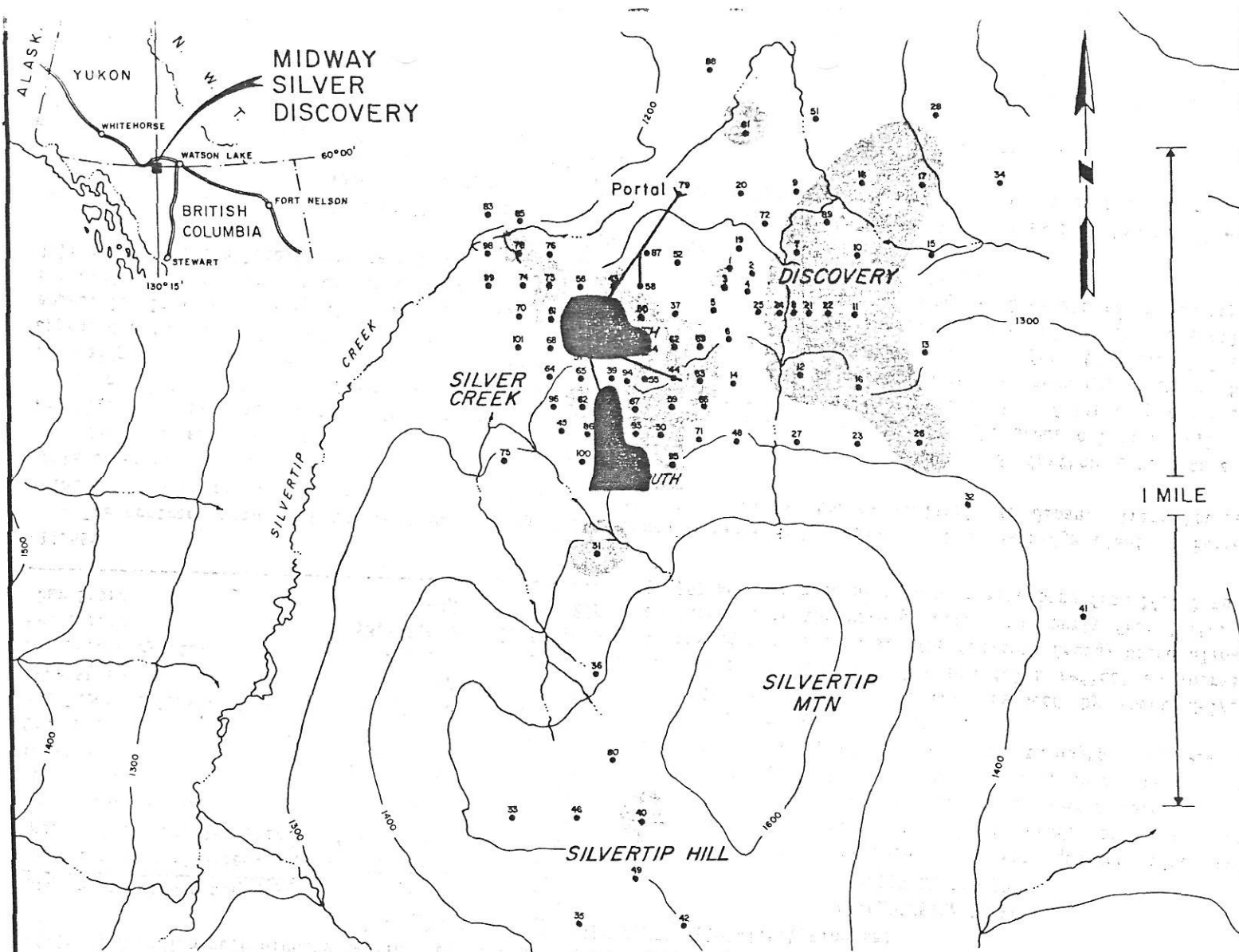
PALEOZOIC AND (?) HADRYNIAN

Pcp Limestone, dolomite, shale, quartzite



SYMBOLS

- Geological contact; defined, approximate, assumed
- Fault; sense of movement unknown; defined, approximate
- Normal fault; defined, approximate
- ▲ Thrust fault; approximate
- Strike-slip fault; defined
- Mineral occurrence; Pb, Zn, Ag



SUMMARY OF INTERSECTIONS

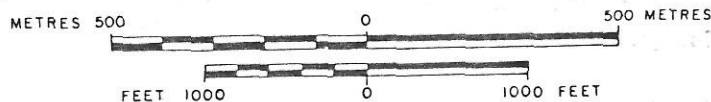
DDH	Inclination	Azimuth	FROM-TO (ft)	LENGTH (ft)	SILVER oz/ton	LEAD %	ZINC %	LEAD-ZINC %	DDH	Inclination	Azimuth	FROM-TO (ft)	LENGTH (ft)	SILVER oz/ton	LEAD %	ZINC %	LEAD-ZINC %
81-1	-70°	328°	404.0- 410.0	6.0	3.52	2.90	4.96	7.86	84-53	-90°	0°	196.9- 214.9	18.0	12.13	8.83	15.31	24.14
81-3	-70°	300°	373.1- 381.1	8.0	16.18	11.80	5.24	17.04	84-54	-90°	0°	262.8- 273.0	10.2	19.54	12.30	10.82	23.12
82-7	-70°	270°	633.6- 650.0	16.4	11.05	3.07	4.85	7.92	84-55	-80°	270°	426.2- 436.4	10.2	4.37	2.89	10.97	13.86
82-8	-70°	270°	671.3- 700.5	29.2	20.15	10.58	15.80	26.38	84-57	-90°	0°	339.9- 369.8	29.9	17.40	12.95	11.36	24.31
			740.3- 746.3	6.0	15.96	9.40	7.32	16.72	84-59	-80°	270°	580.2- 588.2	8.0	3.97	1.85	19.16	21.01
82-10	-70°	270°	805.8- 813.3	7.5	4.55	0.86	6.30	7.16	84-60	-90°	0°	351.2- 392.7	41.5	21.30	15.34	9.23	24.57
			823.2- 841.9	18.7*	11.30	7.95	5.95	13.90	84-61	-90°	0°	220.8- 231.0	10.2	7.53	7.88	7.53	15.41
82-11	-80°	270°	1037.1-1046.0	8.9	17.40	7.80	15.54	23.24	84-62	-90°	0°	245.1- 253.9	8.8	9.25	3.83	5.66	9.49
82-12	-70°	270°	935.0- 941.0	6.0	11.03	6.46	6.22	12.68	84-63	-80°	270°	457.9- 465.9	8.0	3.49	0.76	8.70	9.46
82-16	-80°	270°	1257.9-1281.8	23.9	9.52	5.63	18.96	24.59	84-66	-80°	270°	510.0- 518.0	8.0	2.79	2.06	9.52	11.58
82-17	-80°	270°	1582.5-1588.5	6.0	11.36	1.47	17.61	19.08	84-67	-80°	270°	642.8- 648.8	6.0	3.94	1.96	5.74	7.70
82-18	-80°	270°	1015.8-1024.0	8.2	4.75	2.38	7.40	9.78	84-69	-90°	0°	769.9- 775.9	6.0	4.83	1.25	5.99	7.24
83-21	-70°	270°	761.0- 774.6	13.6	8.13	5.90	7.45	13.35	84-73	-90°	0°	367.5- 375.0	7.5	3.43	2.02	6.94	8.96
			861.9- 876.8	14.9	25.15	17.44	14.07	31.51	84-77	-80°	270°	382.2- 391.4	9.2	15.15	6.04	11.35	17.39
83-24	-70°	270°	667.8- 673.9	6.1	8.36	4.71	3.49	8.20	84-78	-90°	0°	135.2- 145.7	10.5	6.54	4.69	12.49	17.18
			687.7- 693.6	5.9	7.31	4.60	6.80	11.40	84-81	-80°	270°	738.2- 778.2	40.0	15.66	10.11	12.47	22.58
83-26	-80°	270°	1853.6-1860.2	6.6	0.34	0.04	32.31	32.35	84-82	-80°	270°	975.1- 983.6	8.5	20.75	14.52	9.32	23.84
83-29	-80°	270°	212.9- 223.4	10.5	18.10	11.43	14.92	26.35	84-84	-80°	270°	89.9- 106.6	16.7	10.71	10.30	7.21	17.51
83-30	-80°	270°	898.9- 904.8	5.9	3.49	0.20	7.31	7.51	84-88	-80°	270°	706.2- 714.2	8.0	31.89	17.46	5.51	22.97
83-31	-80°	270°	1545.0-1548.9	3.9	5.05	4.20	3.55	7.75	84-89	-80°	270°	752.6- 760.6	8.0	9.31	3.00	13.48	16.48
83-40	-80°	270°	1043.0-1049.7	6.7	10.10	4.34	6.60	10.94	84-91	-90°	0°	1023.3-1061.7	38.4	14.28	8.07	15.93	24.00
			1450.8-1456.7	5.9	18.58	13.14	0.47	13.61	84-95	-90°	0°	782.2- 788.3	6.1	5.82	1.01	8.24	9.25
83-43	-80°	270°	64.6- 77.7	13.1	14.10	10.15	1.35	11.50	84-97	-90°	0°	1259.6-1285.8	26.2	16.80	6.94	12.34	19.28
83-44	-80°	270°	433.2- 439.1	5.9	3.66	1.60	7.18	8.78				1293.9-1301.1	7.2	10.06	4.62	4.39	9.01
83-50	-80°	270°	208.0- 217.2	9.2	0.39	0.23	11.05	11.28				1017.1-1056.1	39.0	15.80	10.15	7.07	17.22

\*Assay based on 9.5 feet of core recovered

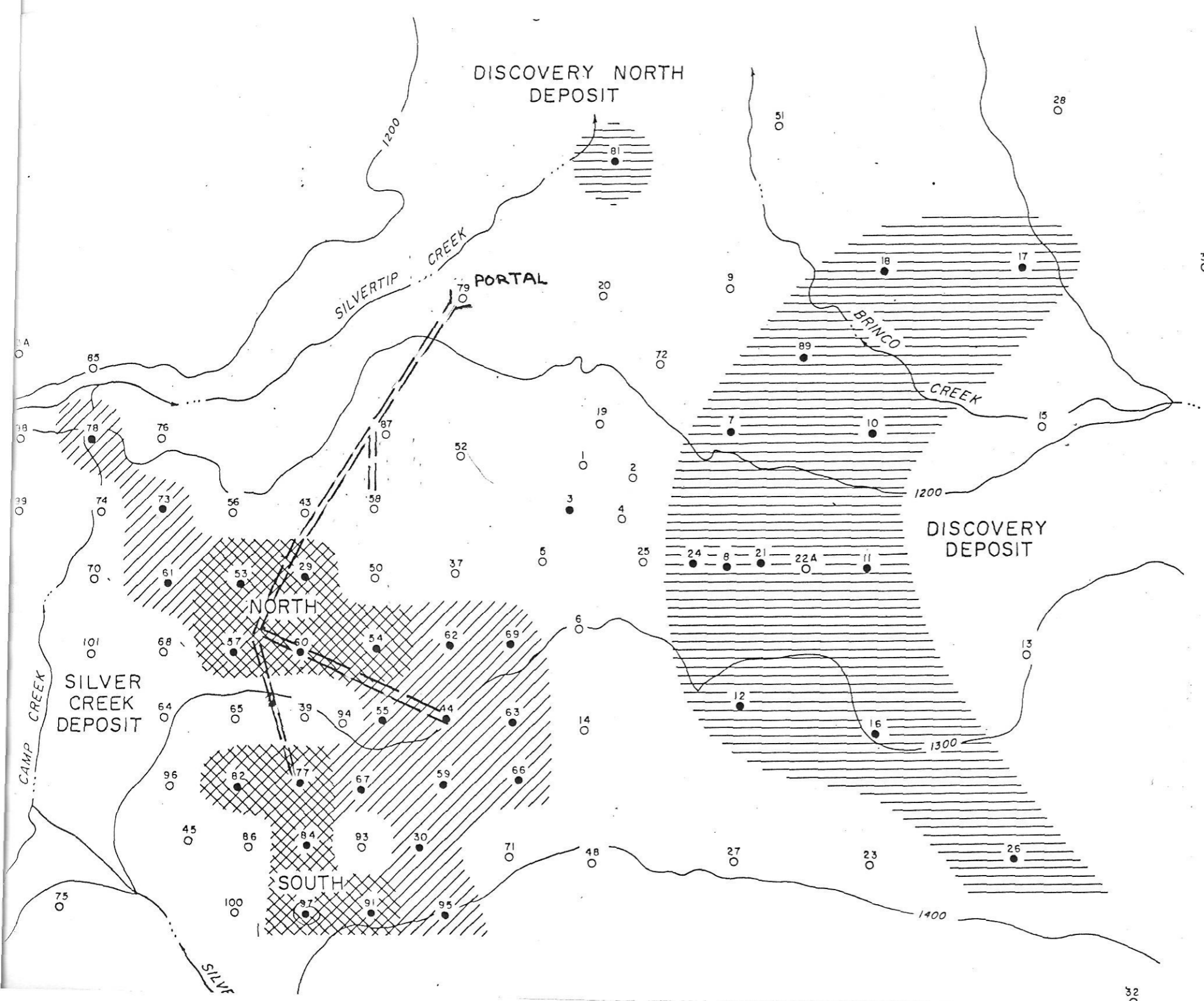
LEGEND

- UNDERGROUND WORKINGS
- DIAMOND DRILL HOLE
- TOPOGRAPHIC CONTOUR IN METRES
- CREEK
- SILVER, LEAD, ZINC DEPOSIT WITH HIGH GRADE CORE

REGIONAL RESOURCES LTD.  
 SURFACE DRILL HOLE  
 AND  
 UNDERGROUND PLAN  
 MIDWAY  
 SILVER LEAD ZINC PROPERTY



MAY 9/85



**LEGEND**

- DDH COLLAR
- DDH WITH MINERAL INTERSECTION
- /// UNDERGROUND WORKINGS (APPROX)

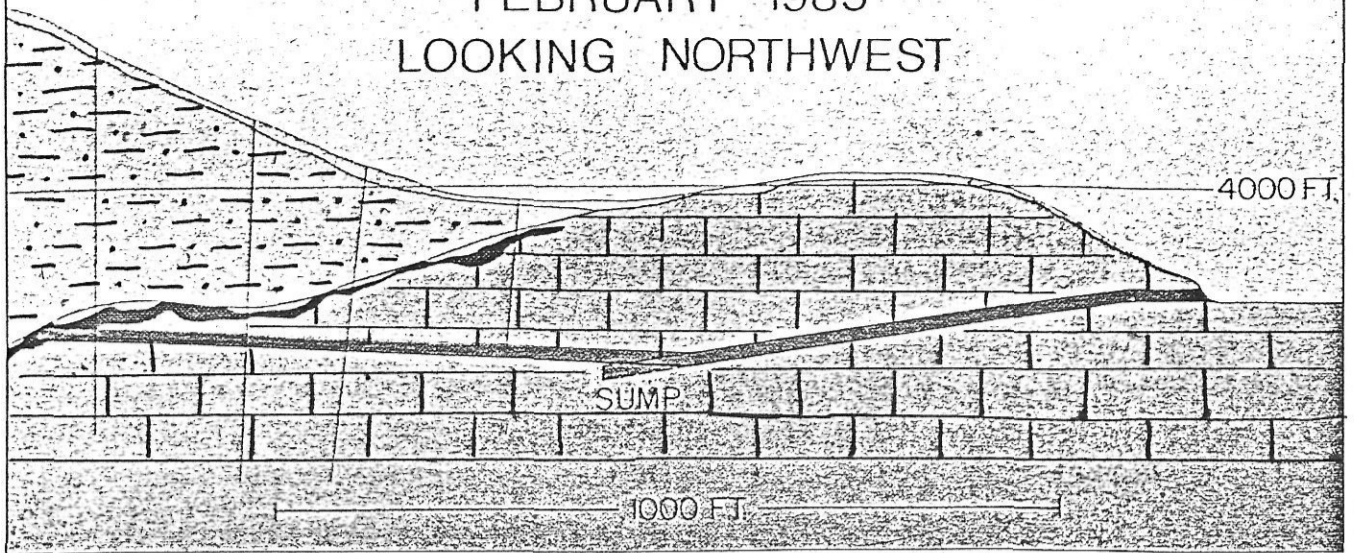
REGIONAL RESOURCES LTD.  
 MIDWAY PROPERTY  
 LOCATION OF  
 SULPHIDE DEPOSITS

LIARD MINING DIVISION, BRITISH COLUMBIA NTS 10

1:5,000

# SIMPLIFIED MIDWAY ADIT SECTION

FEBRUARY 1985  
LOOKING NORTHWEST



## Model proposed for Midway mineralization

The Midway property is located just east of the Cassiar Batholith, a northwesterly trending body some 250 miles in length. This structure has been the source of a variety of mineral occurrences, predominantly located along its eastern boundary. These consist mainly of silver-lead-zinc, skarn, vein and replacement bodies.

The Midway area itself is underlain by a northwest trending syncline which repeats the stratigraphic units on each side of the property. The oldest unit consists of phyllite with minor limestone. This is overlain by a thick sequence of dolomite and limestone. The Lower zone, which contains the mineral deposits, is located within the upper portion of this assemblage. An erosional unconformity occurs at the top of the limestone unit. Overlying this are sandstone and shale units which were deposited in two generally coarsening upward cycles. Two chert horizons, which occur near the base of the second cycle, are locally

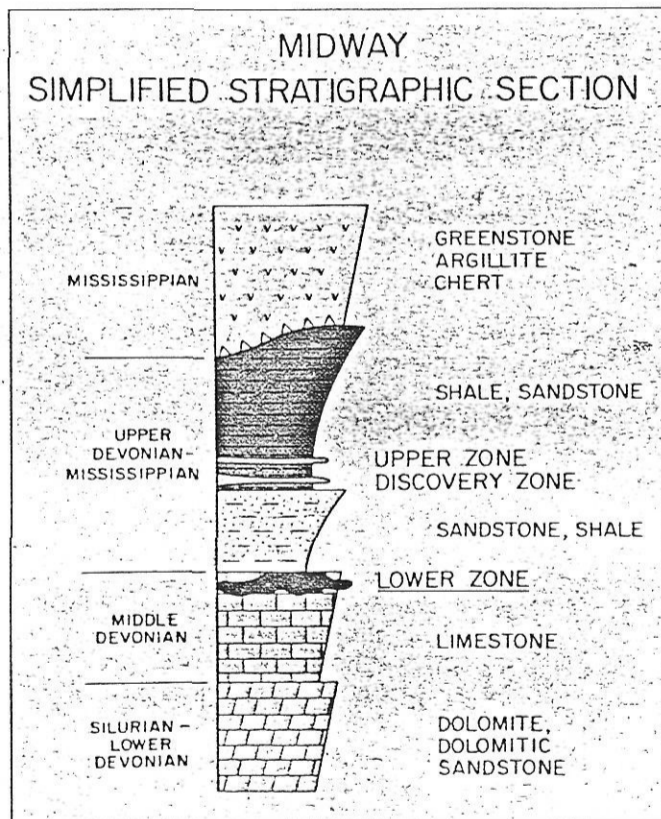
mineralized on the property. These have been labeled Upper and Discovery zones. In the deposit area, these zones contain pyrite, galena, sphalerite and minor barite.

The Lower Zone mineralization occurs within

Mid-Devonian fossiliferous limestone near the contact with overlying shale. Stratigraphic evidence indicates a pronounced erosional surface on top of the limestone, and caverns and channels suggest that a karst system was active.

Two main types of breccia are commonly developed in the deposit area. Tectonic breccias consist of homogeneous limestone fragments in a white calcite matrix. But of more significance are cavern filling and 'trash' breccias consisting of fragments of limestone, shale and sulphide in a muddy calcareous matrix. Diamond drilling has located some 'trash' breccias cemented by sulphides which are directly overlain by massive mineralization.

A manto and chimney model has been proposed for the Lower Zone mineralization. Hydrothermal solutions from a nearby intrusive body are believed to have moved upward through the limestones along zones of weakness, and then deflected below the shale cap. Pre-existing karst channels may have provided courses for mineralized hydrothermal fluids. As indicated from diamond drilling, the Lower zone shows good lateral continuity, forming a blanket-shaped body localized by both structural and stratigraphic controls.



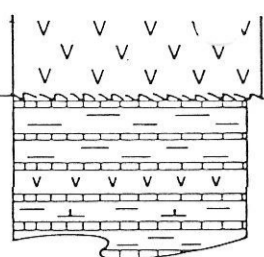


UPPER  
SYLVESTER  
GROUP  
USY

UNIT 4  
300m+  
Volcanic Flows, Tuffs +  
mediate to ultramafic  
usives, Serpentinities  
and Metasediments.

Possible Thrust Fault

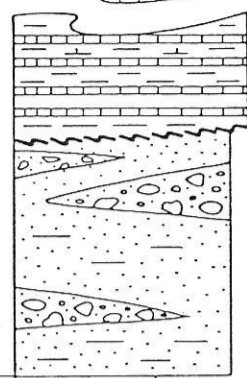
UNIT 3  
700m+  
Argillite, Chert, local  
Calcarenite + Volcanic Flows.



Mississippian - ? Permian

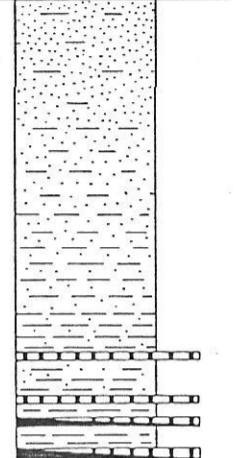
Possible Thrust Fault

UNIT 2B  
150 - 200 m  
Sandstone, Conglomerate,  
Siltstone.



locally transitional  
through Unit 2BA

UNIT 2A  
400 - 640 m  
Mudstone, Siltstone,  
Sandstone, Argillite.

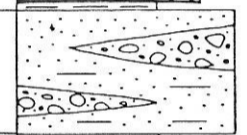


LOWER  
SYLVESTER  
GROUP  
LSY

Latest Devonian  
Mississippian

Exhalites - Silica, Barite,  
local Ag, Pb, Zn, Fe

UNIT 1B  
40 - 290 m  
Sandstone, Conglomerate,  
Siltstone, Mudstone



Unconformity

UNIT 1A  
5 - 45 m. Argillite, Siltstone.



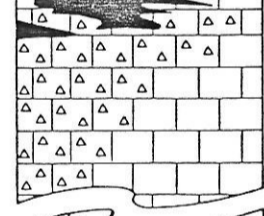
LOWER ZONE

Massive Sulphides  
0 - 15 m. Ag, Pb, Zn, Fe

McDAME  
GROUP  
M

Middle to Late  
Devonian

UNIT MLS  
260 m +  
Limestone, minor Dolostone,  
local strong brecciation.



UNIT MDS 113m+ Dolostone



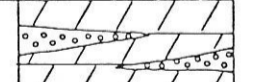
SANDPILE  
GROUP  
S

Silurian to Early  
Devonian

UNIT Su  
Up to 150 m  
Silty - Sandy Dolomite



UNIT Sq  
Up to 150 m  
Dolomite, Quartz Arenite



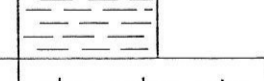
UNIT Si  
Up to 50 m  
Dolomitic Siltstone



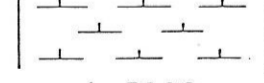
KECHIKA  
GROUP  
K

Cambrian to Early  
Silurian

UNIT Ku  
300 m +  
Carbonaceous calcareous  
Siltstone, Mudstone



UNIT Ki  
50 m  
Silty Argillaceous Limestone



1 : 5000

REGIONAL RESOURCES LTD.  
MIDWAY PROPERTY

GENERALIZED STRATIGRAPHY

N.T.S. 104-0, 105-B  
WATSON LAKE MINING DISTRICT, YUKON TERRITORY  
LIARD MINING DIVISION, BRITISH COLUMBIA

SCALE AS SHOWN

BY  
CORDILLERAN ENGINEERING  
1980 - 1055 W. HASTINGS STREET  
VANCOUVER, B.C. V6E 2E9