

888203

MEG LUNCH & TALK

TITLE: GEOLOGY AND MINERALIZATION OF THE **SULPHURETS** PROPERTY

SPEAKER: FRED G. HEWETT, VICE PRESIDENT AND EXPLORATION MANAGER OF THE NORTHAIR GROUP OF COMPANIES

BRIEF

SUMMARY:

The Sulphurets precious metal deposits are located 65 km northwest of Stewart in northwestern British Columbia. The property is under exploration by the Sulphurets Joint Venture, composed of Newhawk Gold Mines Ltd. (60%) and Granduc Mines Ltd. (40%) and has been active since 1985.

The Sulphurets claim block is located within the Stewart Complex, predominantly comprised of Jurassic sedimentary and volcanic rocks intruded by late Jurassic plutons. Extreme alteration is associated with mineralization throughout the Stewart Complex. To the west is the main Coast Crystalline Complex, with Bowser Basin sedimentary rocks lying to the east.

Numerous past producers, exploration projects and new mines are located within the Stewart Complex, stretching from Anyox in the south to the Unuk River in the north. Several excellent precious metal properties in the area are the Snip, the Doc, and the Kerr. To the south are the old Granduc copper mine, the Summit Lake gold mine of Royal Scot Resources, the S.B. Property of Tenajon Resources Corp., and the Premier and Big Missouri Mines slated for production by Westmin Resources Limited in 1989.

The Sulphurets claims are underlain by Lower to Middle Jurassic volcanic and sedimentary rocks. These rocks are cut by two, elongate sub-parallel, northerly trending zones of intrusive rocks ranging from diorite to granite in composition and which appear to be sub-alkaline. The intrusives enclose a northerly-trending zone of intense alteration. Sericite is the most commonly found alteration mineral, with K-feldspar, chlorite and propylitic-type minerals present to a lesser degree.

Structurally controlled, epithermal and mesothermal silver-gold-base metal veins occur mainly in massive intermediate volcanic or intrusive rocks within a 1 km wide area of intense, sericite-dominant alteration. The veins consist of quartz, minor calcite and trace to 20% sulphide minerals. They range from simple veins to complex vein zones and stockworks. Porphyry copper-molybdenum and copper mineralization occurs in the north and northwest portions of the property and is associated respectively with K-feldspar assemblages that are locally overprinted by sericite alteration, and with hornfels plus weakly altered granite and syenite. Other porphyry copper, molybdenum, copper-molybdenum-silver, and gold mineralization is generally accompanied by sericite dominant alteration. Gold is found in a shell of 15 to 40% pyrite around a small core of copper-molybdenum-gold mineralization in the west-central area of the property. A disseminated gold zone in the eastern part of the prospect is entirely in intermediate tuff-breccia with 5 to 10% pyrite.

Over 20 mineralized zones have been identified on the Sulphurets property, with the majority of exploration carried out on the West Zone. To date, over 160,000 feet of diamond drilling and 9,000 feet of underground development has been completed. Cominco Engineering Services Ltd. is presently conducting a feasibility study on the West Zone, where reserves are presently quoted at 854,072 short tons with a gold grade of 0.354 ounces per ton and a silver grade of 22.94 ounces per ton.

DATE: WEDNESDAY, MARCH 15, 1989

TIME: 12:00 NOON

PLACE: REGAL BALLROOM, HOTEL GEORGIA

LOG NO:	FEB 24 1989	VAN
ACTION:	YES - Post	
FILE NO:	copies to 'Sulphurets' + 'MEG' files	

SULPHURETS

MEG

Mar. 15/89

Speake: Fred Hewett

Intro: Nick Carter

Notes by: TGS

~170

Mitchell's Ck. intr. - sub-alkaline (diorite → syenite → granite)
West Zone - syenite, @m intr. to SW; andes. to NE

1350 m level:

- N. lateral movement along frac./shears ± boudinaging
- at least 4 ore shoots i.d. to date
- 250 m strike + dip lengths - down dip to 200 m
- rake to South
- Au mainly as electrum
- Qtz + carb. mainly gangue
- 1250 to 1300 m level raise - 'spectacular' ore to date

UTC Zone: HW of West Zone Eg. 408 ^{opt Au} over ~4 m @ 1125 m de

West Zone
180 m strike length: ~850,500 tons @ .354 Au + 22.94 Ag
(to Aug. 88)

- New reserves - 'soon'

Core Zone:

Golden Marmot Zone: disc. in 1988 - good potential!

Snowfield Gold Zone: Dissem Au in py-rich (10%) det'd andes.
@ .08 opt Au to depths of 150 m

allm. res. = 7.7 m tons @ .077 opt Au

Metallurgy: simple (>90%)

Prod. Decision: 1989

QUESTIONS: \$12 million spent to date

Banker: Laurie Reinertson