

M-02, E-26

→ CUTOFF
CONFIDENTIAL TROUT

DM 29/06/94

TROUT
888983

YCS
July 28/94

CUTOFF PROJECT

Introduction

The Cutoff property has potential for epithermal precious metal deposits related to Tertiary volcanism and for base metals in the northwest corner in Jurassic Hazelton Group rocks. The property is located in NTS 93F/10, in the Omineca Mining Division, consists of 22 4-Post claims, and is owned 100% by COGEMA Resources Inc. It was staked in late 1992 with two claims added in 1993. It is located 90 km southwest of the town of Vanderhoof and is accessed from the North, West, and South by logging roads.

Geology and Mineralization

The property is situated in the Stikine Terrane and is underlain by felsic volcanics and sediments of the Jurassic Hazelton Group, andesitic volcanics of the Late Cretaceous Kasalka Group, felsic volcanics and sediments of the Eocene Ootsa lake group, and andesitic to basaltic volcanics and sediments of the Eocene to Oligocene Endako Group. Structurally the property is at the boundary of a broad area of predominantly Tertiary volcanics to the West and older rocks to the East. A major structure, trending approximately N60° traverses the whole property, separating mainly later Endako Group rocks to the Northwest, from older rocks to the Southeast.

Precious metal mineralization occurs at the Trout showing (MINFILE 93F-044) and at the Stubb showing, both hosted in Kasalka Group rocks. The Trout showing has been drilled in the past; mineralization is of high grade (5 m @ 0.6 oz/t Au), bonanza type quartz-adularia. The Stubb showing, discovered in 1992-1993, is of lower grade (1-4 g/t Au) and associated with stockwork style quartz veining in propylitized andesites with disseminated pyrite; alteration and mineralization extend for about 3 km along a northeast trending structure. The Lalinear showing is also located in Kasalka andesite and has low grade Au (0.8 g/t) with base metals associated with a shear and carbonate alteration.

Exploration

Pre-1992 work was concentrated on the Trout showing, and included mapping, soil geochemistry, IP-Resistivity and magnetic survey, trenching, and drilling in 1985, 1987, and 1990. Three wide spread reconnaissance holes were also drilled in 1978 for uranium exploration, apparently with negative results.

The work carried out in 1993 included property-wide airborne geophysics (Mag-EM), till geochemistry (600 x 100 m), and geological mapping, as well as prospecting and detailed

CONFIDENTIAL
21/06/94

till geochemistry (200 x 50 m) in selected areas, such as the Stubb area. The Trout showing was mapped in detail and core relogged. The 1993 programme defined new drill targets at the Trout showing; it located mineralization in outcrop at a number of locations along the Stubb trend (Au and Ag), and at the Lalinear showing (Au, Ag, and minor base metals), and in several boulder trains (Au and Ag, ± As, Hg, and Sb), as well as a number of areas of interest based on till geochemistry, airborne geophysics, and geology.

References

Kerr-Addison Mines Ltd, 1985: AR13973.
Welcome North Mines Ltd, 1987: AR16539.
COGEMA Resources Inc., 1993: AR23096.
MINFILE 93F-044

The 1994 Programme

The proposed work programme for 1994 includes linecutting, ground geophysics, grid mapping, trenching, and drilling, as well as prospecting and detailed till geochemistry.

A new grid will be cut on the Stubb area and the old Trout grid refurbished to carry out ground geophysics (MaxMin) in the winter and help the mapping and prospecting in the summer. Trenching (600 to 700 m) will be carried out on the Stubb showings after the mapping and prospecting, followed by drilling (700 to 900 m) to define mineralized structures. Drilling will be carried out on the Trout showing (700 to 900 m) to define the geometry and extent of the known mineralized structure and test other, geophysical, targets.

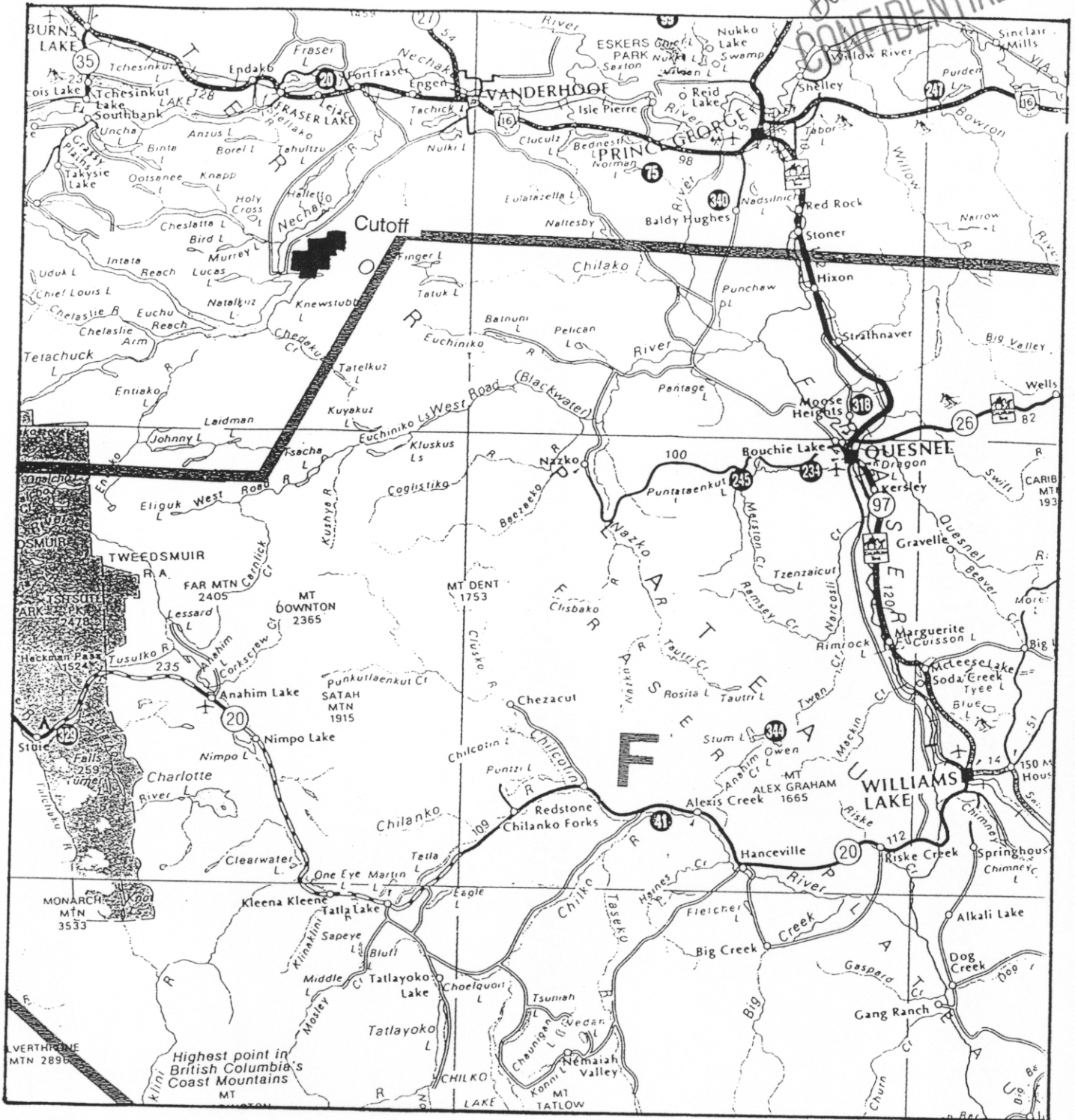
The areas of interest defined by till geochemistry, airborne geophysics, and geology will be prospected and mapped in detail; detailed till geochemistry (200 x 50 m) and reconnaissance IP surveys will help to define targets for trenching (200 to 300 m) and/or drilling (300 to 400 m).

Work has already started on the Stubb and Trout grid (linecutting and ground geophysics). Mapping, prospecting, till geochemistry, and IP surveys will be carried out in June and July. Trenching is planned for the later part of July and drilling for August and September. Completion of the field programme is expected to be early October.

Financing

Funding for this programme has been set aside in COGEMA Resources Inc. budget for British Columbia and is derived from self-generated cash-flow from its mining activities.




Am 29/06/94
CONFIDENTIAL

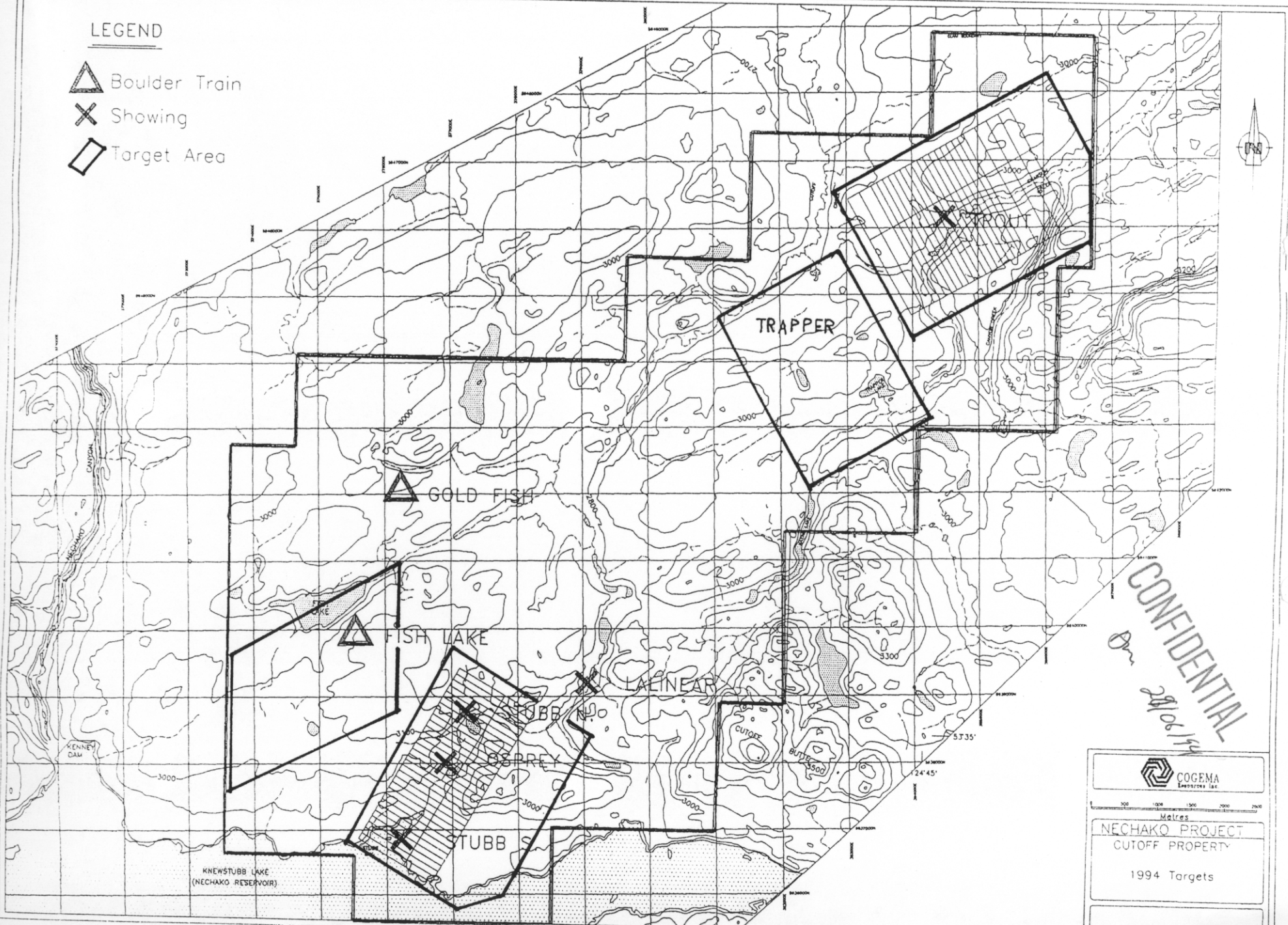


COGEMA Resources Inc.

Location of the Cutoff Property

LEGEND

-  Boulder Train
-  Showing
-  Target Area



CONFIDENTIAL



Metres
NECHAKO PROJECT
CUTOFF PROPERTY
1994 Targets