

NO.145(1990)
JULY 27, 1990

George Cross

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WESTERN CANADIA

KOKANEE EXPLORATIONS LTD. (K00-V)

OPTION AGREEMENT SIGNED - Jim Stipula, director, reports Kokanee Explorations Ltd. has signed an option agreement to earn a 50% interest from LEGION RESOURCES LTD. (LGN-V) in a 13-claim, 85-unit property located 12 km north of Creston, B.C., subject to regulatory approval. Kokanee must spend \$500,000 on exploration by 31Jul92 and subscribe to a private placement of 200,000 Legion units at 60¢ each comprising one share and one warrant good for one year at \$1.00, subject to regulatory approval. As well, Kokanee has staked 27 claims of 103 units adjacent to the property which will be included in the agreement.

The Legion property covers an area of Proterozoic volcanics and carbonate/clastic sediments hosting a stratiform zinc zone. Previous induced polarization surveys and geochemical soil surveys have traced the zinc mineralization for at least five km along strike.

In the early 1960s, 13 short diamond drill holes confirmed the presence of stratiform zinc mineralization over a strike length of 400 meters. This drilling included 1.5 meters grading 14.9% zinc and 9.0 meters grading 5-6% zinc. A drill-indicated tonnage estimate of 500,000 tons grading 5% zinc was made in 1966.

The zinc zone, Wilds Creek, is interpreted to be of a volcanogenic sedimentary exhalative nature which is open to the north and south along strike and at depth. Drilling is expected to start shortly when approvals are received. (SEE GCNL No.140, 20Jul90, P.2 FOR OTHER KOKANEE PROJECT INFORMATION)

82FSE General