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DIGGER RESOURCES INC. (DIG-V)

PHASE I DRILL RESULTS - Bill Scott, director, reports

Digger Resources Inc. and 50/50 joint venture partner BP Resources Canada Ltd. has completed the Phase I drilling program at the Chuchi Lake property located 20 miles north of Continental Gold's Mt. Milligan project which is 30 miles west of Mackenzie, B.C. BP is operator. Phase II drilling is now underway.

Phase I, which encompassed 13,000 feet of drilling in 1990 and is represented by drill holes 10 through 32, further confirms the presence of an extensive mineralized copper/gold porphyry system with mineralization known to exist to 600 feet in depth. Phase II drilling will follow an area of higher grade mineralization trending to the northeast indicated by holes 18, 27, 29 and 30. Hole 33, the first hole of Phase II, gave the most encouraging results; see below:

HOLE NO.	INTERVAL METERS	LENGTH METERS	COPPER %	GOLD GR/T	COPPER/GOLD EQUIV. G/T
33	39.6 - 264.9	225.3	0.20	0.12	0.32
Incl.	64.0 - 152.0	88.0	.37	.21	.58
Incl.	86.0 - 152.0	66.0	.41	.22	.63
Incl.	86.0 - 128.0	42.0	.47	.24	.71

The grades in hole 33 are in the same range of that found in the West Breccia zone at Mount Milligan and given that the majority of the drilling to date at Chuchi Lake has been within the intrusion, including hole 33. An area of similar induced polarization/resistivity signature as outlined by holes 18, 27, 29, 30 and more recently hole 33, is open to the north, east and west and covers a potential area of at least 0.5 by 0.5 km up to the property boundary. Initial drilling in Phase II will concentrate on better defining the extent of this mineralization, with the drilling of the eastern and western anomalies being left to the 1991 season. The presence of magnetite breccia in hole 32 is another positive indicator for copper and gold mineralization. The presence of this unit at Mt. Milligan led to the discovery of the MBX zone.

Phase I drilling was intended to outline the size

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and shape of the intrusion and then test the volcanics. However, the size and shape of the intrusion resulted in most of the Phase I drilling occurring in the intrusion itself. See results below:

HOLE NO.	INTERVAL METERS	LENGTH METERS	COPPER %	GOLD GR/T	COPPER/GOLD EQUIV. GR/T
18	3.7 - 155.1	151.4	0.11	0.12	0.23
Incl.	68.0 - 108.0	40.0	.15	.25	.40
27	23.0 - 226.0	194.0	.21	.21	.42
Incl.	156.0 - 226.0	70.0	.30	.34	.64
29	60.0 - 76.0	16.0	.15	.09	.24
	100.0 - 124.0	24.0	.15	.11	.26
	130.0 - 164.0	34.0	.15	.12	.27
	242.0 - 272.0	30.0	.28	.18	.46
30	98.0 - 256.0	158.0	.22	.10	.32
Incl.	178.0 - 256.0	78.0	.26	.13	.39

The majority of the other holes drilled in Phase I exhibited mineralization with smaller, often higher grade sections. Such zones are related to potassically-altered contacts between monzodiorite sills and east dipping ash-tuff siltstones. Typical of these holes would be holes 13, 21 and 23. See results below:

HOLE NO.	INTERVAL METERS	LENGTH METERS	COPPER %	GOLD GR/T	COPPER/GOLD EQUIV. GR/T
13	8.3 - 32.0	23.7	0.21	0.19	0.40
	58.0 - 68.0	10.0	.23	.36	.59
	146.0 - 161.2	15.2	.34	.44	.78
This hole finished in mineralization at 161.2 meters.					
21	38.0 - 42.0	4.0	.26	.53	.79
	50.0 - 80.0	30.0	.18	.12	.30
	94.0 - 102.0	8.0	.19	.13	.32
	120.0 - 130.0	10.0	.18	.16	.34
	130.0 - 142.0	12.0	.15	.32	.47
23	38.0 - 54.0	16.0	.36	.58	.94
	86.0 - 94.0	8.0	.22	.21	.43
	180.0 - 206.0	26.0	.10	.16	.26

The 1990 IP/resistivity surveys and mapping identified an eastern and western extension to the current anomaly with further copper/gold anomalies, the Eastern anomaly having +125 parts per billion gold. The Western anomaly is at least 0.8 by 0.4 km and the Eastern one is at least 0.7 by 0.5 km, extending the size of the main anomaly to 2.5 by 1.5 km. The anomaly is open to the north. Six more aeromagnetic anomalies were discovered and will be drilled in 1991.

The drilling and geophysical results has prompted Digger/BP to option the Klaw 1-9, Norn and GR claims from NORANDA INC., which doubles the property holdings to 450 units. (SEE GCNL No.192, OCT.3/90, P.2 FOR MORE DETAILS) Digger/BP are currently preparing budgets for the 1991 season which will include more Phase II drilling plus testing the Eastern and Western anomalies. Aeromagnetic surveys have been flown over the GR claims. (SEE GCNL No.141, 23Ju190, P.2 FOR PREVIOUS RESULTS)

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