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MEG LUNCHEON TALK

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ESKAY CREEK DEPOSIT

Notes: Lane/Schroeter

Speaker: James Stewart, International Corona Corp.

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- 150 km of ddh on property

21B Zone

- occurs on west limb (dipping 45°W) of a N- plunging anticline
- massive sulphide layers are asymmetrical
- sharply defined base (sometimes scalloped), grading upwards from coarse clastic MS to fine clastic MS and disseminated sulphide 'wispy' beds at the top
- sphalerite also more concentrated at the base along with sulphide fragments (i.e. clastic texture)
- black (sub)angular clasts = mudstone (alt'd felted Mg-chlorite-massive)
- clasts locally make up >50%
- metallic minerals in order of abundance: tetrahedrite, sphalerite, galena, plus minor pyrite
- sulphide breccia textures (plus "round" sphalerite grains) resemble those at Buchans

U/G - 830 X-cut

- access high grade core of 21B deposit
- not totally successful - skimmed margin of zone
- mineralization is ~ flat lying (due to fault)
- footwall massive Mg-chlorite structurally and stratigraphically overlain by 7-8 metre section of tightly folded stratabound ore (small folds with steep plunges). Attitude of stratigraphy/mineralization flattens out away from structural influences.
- sulphides occur in axial planar cleavage
- minor V.G.
- 1991 U/G program tested the continuity of the high grade core of 21B zone and adjacent mineralization.
- 26 ddh + flat ddh northwards into (from a sill drift) ddh 109 area
 - did not duplicate previous results
 - lots of silica (different from VMS)
 - ddh 109 possibly followed a vein-like structure = small tonnage @ ~ 1 opt Au.TGS note: Colloidal textures in sulphides and gangue do not suggest a vein-like structure - more a narrow vent zone?
- 1991 U/G holes @ 10m spacing to intersect orebody
- 1991 flat holes @ 5m spacing to intersect orebody
- several flat holes intersected ore ~ 40m above 830 X-cut
- Corona divided deposit in 3 sectors:

South Sector

- high grade core, truncated by NW trending "structure" termed Adrian's Wall (Corona can't explain it - Line 560)
- core is 8-10m thick (locally up to 14m thick) ore zone of >5 opt Au equiv.
- more than 50% of total Au in deposit occurs in South Sector
- north of Adrian's Wall the deposit shrinks in thickness dramatically

North Sector (central panel)

- ore drapes over crest of anticline (locally forms sub outcrop)
- north sector divided into 3 panels East, Central & West panels
- East panel = Prime's 'Pathfinder' zone

HW Lens

- different stratigraphic horizon - 30 to 40m higher (near bottom of 1st andesite sill with its own separate rhyolite footwall)
- is not a major part of reserve
- pyrite-rich VMS with low precious metal values

MINING METHOD PROPOSED - 'Drift And Fill'

- would result in about 27% dilution on average (locally up to 40%)

Reserves - Corona only includes 21B zone proper (MS only) - no footwall breccia, Pumphouse or 21C zone

- is a mining reserve (cf. Prime's Geological)
- cutoff is 0.4 opt Au equivalent (where Au equiv. = Au + Ag/100)

TGS note: could leave approx. 1m oz. of gold in the ground!

'Science'

- vertical thickness X Au equivalent slide of deposit
- shows high grade core reaches a value of 70

RL:JB