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LARAMIDE RESOURCES LTD.

Pot Property Pothole Gold Area Proposed Programme and Budget 1992

1. BACKGROUND

In October 1984, a preliminary reconnaissance of the Snowflake property by the writer and J. Randa resulted in the discovery of anomalous gold contents (950 ppb - 2,550 ppb Au) associated with copper mineralisation in andesite near the eastern boundary of the Pot #1 claim, in the south-eastern corner of the Snowflake property (Ref. memo dated 16 November, 1984; attached).

2. SETTING

The 'zone' of interest is in an area of rubbly outcrop exposed by shallow bulldozer stripping, probably done by Conwest in 1970. Dark, altered (epidote, quartz-carbonate veins) andesite contains erratically disseminated chalcopyrite, malachite, azurite, and pyrite. The copper mineralisation occurs in narrow zones striking north-east across the regional trend.

The government airborne magnetic map shows a north trending, slightly arcuate, narrow high, the axis of which crosses the copper-gold 'zone'. This trend continues to swing to the northeast along a major lineament/fault (see Preto's map).

The Au or Pothole Gold Zone of Algo Resources Ltd. is situated 800 metres to the east of the Laramide showings, on the Au 1 claim. The gold here is hosted in quartz filled fractures in argillaceous sediments intruded by diorites. Assays obtained from surface sampling and drilling include 0.198 opt Au/5.1 metres, 0.315 opt/4.9 metres (surface), and 0.145 opt/5 feet in a 1975 drill hole.

Despite several trenching and drilling programmes, no size or form has so far been established for the Au Zone.

According to Preto's mapping of the area around and north of Pothole Lake, a major northeasterly trending fault coincides with a prominent topographic lineament about one kilometre north of the Pothole gold-copper showings. South of the fault is the dominantly volcanoclastic sequence of Eastern Belt volcanics, which has been intruded by granitic rocks of the Pennask batholith. The main body of the granite outcrops two kilometres northeast of Pothole Lake and there are apparently related northwesterly trending dykes in the immediate area of the Laramide gold-copper showings.

North of the fault and east of the Quilchena River, outcrop is sparse and consists mainly of Central Belt basalts and andesites, inferring major right lateral displacement along the fault; three of the few exposures of andesite contain copper mineralisation.

According to Preto, the Nicola rocks in this area 'are extensively altered to epidote-garnet skarns', suggesting that the Pennask rocks are at shallow depth. This is supported by the outcropping of Pennask type granite along the Quilchena River in the northern part of the Snowflake property.

3. PREVIOUS WORK

The 1" = 1/4 mile (1:15,840) overlays attached show previous work done over and adjacent to the Laramide showings. This scale has been chosen to match the B.C. government preliminary geological map of the area (Preto, 1979). The data shown is taken from the available assessment reports, but it is obvious from the trenching and drill hole sites in the area that not all work has been recorded or documented.

The geochemical overlay portrays the results of soil sampling surveys by Chataway in 1967 (copper) and by Invex Resources in 1978 (gold, copper).

The Chataway survey covers the area north and east of Quilchena Creek, mostly within Laramide's Pot 3 claim. Although outcrop is rare, there is a broad scattering of weakly anomalous soil zones (+50 ppm) with small local highs of 100 ppm+. Two of these highs relate to copper showings in the andesites. The northern part of the area has a stronger concentration of anomalous areas.

The 1979 Invex survey is restricted to the Algo Au 1 claim. Copper and gold soil anomalies are strongest in the immediate area of the Au gold showing, and have a north-northwesterly trend. An open copper (gold?) anomaly on the northwestern corner of the Au 1 claim is within 400 metres of the Laramide gold-copper showing.

The geophysical overlay combines the magnetometer and I.P. features resulting from the Algo 1987 geophysical surveys. No ground geophysical data exists/is available for the eastern half of the Snowflake/Pot claims.

The Algo magnetometer survey reflects the presence of the volcanic rocks in the southeastern corner of the Au 1 claim, similar to those hosting the Laramide gold-copper showing.

The I.P. survey produced chargeability and resistivity highs which appear to flank the Au gold zone.

4. SUMMARY

1. The Laramide 1984 preliminary sampling of the Pot 1 copper-gold showings revealed the highest gold contents encountered on the Snowflake property.
2. The showings occur in andesitic volcanics in close proximity to Pennask batholith rocks, on a strong arcuate airborne magnetic anomaly, just south of a major northeasterly trending fault zone.
3. The Algo Resources Au gold zone lies within 800 metres to the east of the Laramide showing.
4. Potential target types are porphyry gold-copper, contact skarn, and Elk type quartz-gold veins, as well as the as yet enigmatic Algo Au Zone.
5. Previous work suggests that geochemical soil sampling may be a valid exploration tool in at least part of the area of interest. Test sampling/profiles will be required to test overburden areas.

5. PROPOSED PROGRAMME

A staged programme is proposed for the area covered by the Pot 1, 3, 4, 7, 21, 22 claims, east and south of Quilchena Creek.

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| Stage I | 15 days; crew of two prospectors <ul style="list-style-type: none">- prospecting- rock sampling- selective/test soil sampling, approximately 100 samples- recce grid sampling (500m x 50m) across mag/fault trend Pot 21 and 22 claims, approximately 300 samples |
| Stage II | Based on results of Stage I
15 days; crew of geologist, 2 prospectors, 2 field assistants <ul style="list-style-type: none">- geological follow-up/mapping- soil sampling - further grid sampling/follow-up based on results of Stage I |
| Stage III | 15 days; crew of geologist and 2-3 field personnel <ul style="list-style-type: none">- trenching- sampling |
| Stage IV | crew of geologist and field assistant <ul style="list-style-type: none">- diamond drilling |

6. PROPOSED BUDGET

Stage I (15 Days)

Salaries:

Prospector 1 - 15 days @ \$200.00/day	\$ 3,000.00	
Prospector 2 - 15 days @ \$200.00/day	<u>3,000.00</u>	\$ 6,000.00

Room and Board/Travel: 1,200.00

Telephone/Freight/Post 200.00

Vehicle Rental (4x4):
15 vehicle days @ \$55.00/day 825.00

Fuel 150.00

Equipment Purchase 250.00

Geochemical Analyses:
Say 400 soil samples @ \$10.50 ea. \$ 4,200.00
Say 50 rock samples @ \$12.75 ea. 637.50 4,837.50

Reproductions/Publications 50.00

Fees:

1 day @ \$450.00/day 450.00

Subtotal 13,962.50
Administration @ 10% 1,396.25

Subtotal 15,358.75
7% G.S.T. 1,075.11

TOTAL \$ 16,433.86

Say \$ 16,500.00

Stage II (15 Days)

Salaries:

Geologist - 7 days @ \$200.00/day	\$ 1,400.00	
Prospector 1 - 15 days @ \$200.00/day	3,000.00	
Prospector 2 - 15 days @ \$200.00/day	3,000.00	
Field Assistant 1 - 15 days @ \$145.00/day	2,175.00	
Field Assistant 2 - 15 days @ \$130.00/day	<u>1,950.00</u>	\$ 11,525.00
Room, Board/Travel		2,680.00
Telephone/Freight/Post		250.00
Vehicle Rental (4x4):		
15 vehicle days @ \$55.00/day		825.00
Fuel		150.00
Equipment Purchase		450.00
Equipment Rental		-
Geochemical Analyses:		
Say 750 soil samples @ \$10.50		7,875.00
Reproductions/Publications		50.00
Drafting		500.00
Fees:		
2 days @ \$450.00/day		<u>900.00</u>
Subtotal		25,205.00
Administration @ 10%		<u>2,520.50</u>
Subtotal		27,725.50
7% G.S.T.		<u>1,940.79</u>
TOTAL		\$ <u>29,666.29</u>
Say		\$ 29,700.00

Stage III (15 Days)

Salaries:

Geologist - 15 days @ \$200.00/day	\$ 3,000.00	
Prospector - 15 days @ \$200.00/day	3,000.00	
Field Assistant - 15 days @ \$145.00/day	<u>2,175.00</u>	\$ 8,175.00

Room/Board/Travel 1,800.00

Telephone/Freight/Post 250.00

Vehicle Rental: 15 days @ \$55.00/day 825.00

Fuel 150.00

Equipment Purchase 300.00

Equipment Rental:

Excavator - 6 days @ \$1,000.00/day 6,000.00

Geochemical Analyses:

150 rock samples @ \$12.75 ea. 1,912.50

Reproductions/Publications 50.00

Drafting 500.00

Fees: 3 days @ \$450.00/day 1,350.00

Subtotal 21,312.50

Administration @ 10% 2,131.25

Subtotal 23,443.75

7% G.S.T. 1,641.06

TOTAL \$ 25,084.81

Say \$ 25,100.00

Summary	Stage I	\$ 16,500.00
	Stage II	29,700.00
	Stage III	<u>25,100.00</u>
	Total	\$ <u>71,300.00</u>