

## REVIEW ON BLACKDOME GOLD DEPOSIT

Blackdome Mountain, B.C.

NTS 926/8 W

Blackdome Exploration's June-July, 1984 reports of exceptionally high gold and silver values encountered in this years drifting has prompted Kerr to re-evaluate the potential of the deposit.

Based on Blackdome's Progress Reports and George Cross Newsletter publications, the current work being conducted on the property is advancing the south drift southward from where Blackdome stopped the Adit Level (1960m elev) heading in 1981.

Recent publications gave no assay results for the first 22m of drifting. The advance was through an area blocked out as non-ore as indicated by two diamond drill hole intercepts which assayed 0.14 gm Au and 1.04 gm Ag per tonne and 0.25 gm Au and 1.6 gm Ag per tonne over 1.5 m widths. The next 67 m (220 ft) of the drift has been reported to contain 75.4 gm Au and 143 gm Ag per tonne (2.2 oz Au and 4.2 gm Ag per ton, or 78.6 gm/tonne Au equivalent). This section of the drift occurs within an area blocked out by four diamond drill hole intercepts with assay values ranging from 0.49 gm Au and 7.7 gm Ag per tonne over a 2 m width (0.01 oz Au, 0.22 oz Ag per ton ) to 3.97 gm Au and 56.15 gm Ag per tonne over a 1.73 m width(0.12 oz Au, 1.64 oz Ag per ton). The weighted average of the 4 d.d. hole intercepts is 2.6 gm Au and 33.3 gm Ag per tonne over 1.8 m (0.08 oz Au, 0.97 oz Ag per ton ). The drift grade is about 22.5 times that of the d.d. hole indicated grade. The values are unusually high and is projected to extend not more than 10 meters above and 5 meters below the drift back and floor respectively. (See Longitudinal D.D. Hole Assay Section).

The drill indicated mineral reserve, located between the Adit Level elevation and the surface (av. 40 m backs), and for a distance of 190 m south of the south drift face (Dec/81), was estimated by Kerr's Vancouver office to be 28,580 tonnes grading 14.7 gm Au equivalent per tonne. Blackdome's present exploration plans are to develop this section of the #1 vein.

Prior to 1982, sampling results on the vein in the drift have shown an upgrading of the drill indicated values by 250-300%, but downgrading by similiar percentages are equally evident. There is not enough published data from Heath Steeles' 1982-83 years work on the northern end of the vein to make comparisons.

Based on work done to the end of 1981, the following statistics on the Blackdome #1 Vein are =

1. Total drifting is 330m on the 1960 m Level;
- 2-a D.D. Hole indicated mineral reserve blocks grading greater or equal to 5gm Au equivalent per tonne was projected to occupy 181m of the 330m drift length;
- 2-b Drift assay grade show 161m of the 181m to be  $\geq$  5gm Au equiv/tonne, although the location of the "ore" grade sections are about 50-65% correctly projected.
3. Drill indicted grades versus actual drift grades may be upgraded or downgraded up to 250-300%.
4. Ore control within the vein structure is unknown, and the gradechanges abruptly within a short distance.
5. Ore-grade mineralization is not unlike that of bonanza type, epithermal, singular vein systems, where ore grade and their locations are difficult to predict with accuracy.

There are two high-grade diamond drill intersections located 160m and 240m south of the present drift face, and would be approximately 60m and 150m respectively south of where Blackdome plans to end their development for the year. The two drill holes are: #63 grading 88.36 gm Au and 224.1gm Ag per tonne over a 1.5m width (res.= 6110 tonnes). D.H. No. 63 ore reserve is blocked out from 0.0 - 25m below the Adit L.elev, and No. 86 ore reserve is blocked out from 40m - 70m below this elev. These two high grade intersections are isolated by other very low-grade holes drilled 20-40m apart, though an area below #63 and north of #86 remains to be investigated. Both high grade intersections can be investigated further by short d.d. holes from the surface.

The mineral reserve tonnages has not changed substantially since the last review, but results from Heath Steel's work is not included. Since the underground results have not been published and that Heath Steele has dropped the option on the property, one may assume that the results from the northern section of the structure were not encouraging.

Of the 37 d.d. holes drilled by H. Steele, 10 of these intersected grades of greater than 3.4 gm/tonne (0.1 oz/ton) gold equiv. over mineable widths, but only 4 of these drill holes contain values greater than 5 gm/tonne (0.15 oz/ton).

Blackdome's Nov. 30, 1982 report states that three high grade stoping areas above the Adit Level have been developed for mining. They contain 29,721 tons with an average width of 7.15 ft. grading 1.16 oz/ton gold and 8.0 oz Ag, cut and diluted.

Exploration work to date indicate that it will be difficult to find large tonnages of ore within the #1 Vein. A viable operation can still be a reality if more bonanza type orebodies could be found, with grades of 2 oz Au/ton as encountered in the recent drifting.

Through a private placement of shares, Blackdome has enough money to explore the drill indicated mineral reserves for the 190m of drift length required and also to develop any ore shoots found. I doubt Blackdome would be interested in a third party participation at present.

A handwritten signature in cursive script, appearing to read 'Fred Chow', written in dark ink.

July 13, 1984

Fred Chow.