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DATE: October 10, 1991
A TO: I. D. Pirie
COPIES A COPIES TO: A. J. Davidson, file
DE FROM: ✓C. Burge
SUBJECT: Horn/Darlin Property Exam, Kokanee Expl'n Ltd.

Location

The Darlin and the Horn property are located 15 and 20 km respectively from the giant Sullivan mine. The Sullivan mine has a cash value of more than \$22 billion. The properties cover approximately a 10 km strike length of Sullivan Time occurring on the south and southeast slopes of St. Mary Lake.

Ownership

The Darlin is currently being drilled as a Kokanee - Barkhor - Chapleau joint venture in which Kokanee may back in for a 60% interest. The adjacent Horn property is not as advanced and is held 100% by Kokanee.

Geology

The Horn and Darlin are underlain by lower and middle Aldridge sediments intruded by Moyie sills. The sediments are at a higher metamorphic grade as a result of the nearby Hellroaring Creek stock. This stock is Precambrian in age and is possibly a synsedimentary intrusion responsible for driving the Sullivan system. Pegmatites consisting of muscovite, feldspars and tourmaline radiate from the stock. The higher grade nature of these rocks is apparently what discouraged Cominco from exploring the ground. A coarse fragmental bearing sulphide clasts trends NW under Mañy Lake on the Horn property. This unit is separated from the main target on Horn - (soil anomalies at Sullivan time) -by a

thrust fault. The dips are about 40° to the SW into a fairly steep slope. The Darlin covers a broad open syncline developed over a 5 km strike. The Sullivan stratigraphy can be tested at shallow depths with very little physical work. However after an initial stage of drilling, deeper holes will be required. Kokanee is drilling a fence through the sequence which correlates with Sullivan.

Targets

Darlin

A 1.5 kilometre open ended soil anomaly has been outlined over a 50 meter package of stratigraphy at the top of the lower Aldridge. Values range from 300 to 500 ppm zinc.

Two max-min lines 500 meters apart provided strong cross-overs at the prospective horizon. Semi-massive sulphide float occurs on the ground and current drilling has intersected a zinc exhalite over a 30 cm width. The exhalite occurs in the hanging wall of the max-min anomaly which correlated roughly with the Main band ore stratigraphy at Sullivan.

Horn

The Horn covers the same stratigraphy as the Darlin exposed 3 km across the valley. Again a 1.5 km soil anomaly has been outlined with values as high as 1400 ppm Pb. A showing called the Dan Howe consists of a 1 metre zone of stratabound quartz, 30 cm of galena and sphalerite .

Environment

No mining or exploration work has been done on either claim. The valley is being actively logged and no recreational facilities exist on St. Mary Lake.

Conclusions

These properties have all the necessary ingredients for success in the Aldridge camp:

1. sulphide occurrences
2. fragmentals
3. Lower-Middle Aldridge contact
4. deep water sulphide bearing muds.

It is astonishing that this ground has not been explored in the past.

Recommendations

I recommend we move quickly to option the Horn property as events on the Darlin could escalate very quickly if Kokanee intersects ore grade mineralization later this week when they drill the main band conductor. The Horn covers a 3 kilometre strike east adjacent to the Darlin anomalies as well as 6 kilometres of Sullivan Time on the western part of the property.

