

082m/13 824522

INMET MINING CORPORATION

MEMO

To:

Ian Morrison

From:

John Kapusta

Copies:

File

Date:

December 1,1995

Subject:

HORNE CK SEDEX PROPERTY SUBMITTAL

Summary

The Horne CK property was submitted to us by Mel Lafreniere, and Kerry Walcer. The property is situated on NTS Sheet 82M/13, approximately 43 kilometers northeast of Clearwater B.C. The vendors have supplied a well compiled summary report on the property that is appended to this Memo. Detailed information can easily be located in this report.

Recommendations-- "NO"

This property has had extensive exploration conducted on it to date, including drilling, soil and rock sampling and geophysical work. Drilling alone totals 19,000 meters in 179 holes. Results on the property can be spectacular but lack thickness and continuity. Not unlike other SEDEX properties we have worked on or reviewed in the Adams Plateau area.

There may still be significant potential left to be tested on a number of the showings listed below. However without a detailed review of the geophysics and geology this can not be presently done.

If we are going to chase another sediment hosted property at the present time I would recommend going after the Libby Property located close to our Pend Oreille property or continue evaluations in the Sullivan Camp.

Mineralization

The **New Showing Zone** alone has had 104 holes totaling 8,500 drilled on it. This zone has been defined by drilling over an area of 1.5×1.3 kilometers, down to a depth of 200 meters. The results of this work indicate a potential resource of

200,000 tonnes 12.9 - 14.5% Zn and 2.3 - 2.7% Pb. This is an approximate drill density of one hole per 137 by 137 meter square area. Not a significant tonnage considering the drill spacing. The results for only 70 drill holes are included in the summary report. Of the 70 holes a total of 37 have intersections with less than 1 meter drilled thickness, 10 have intersections between 1 and 2 meters drilled thickness, 13 have intersections between 2 and 3 meters. The best intersection has a drilled thickness of 4.5 meters grading 3.86% Pb and 18.91% Zn.

The **North Strat Showing** has had 31 holes drilled in it. The best intersection id 13.16% Zn and 1.32% Pb over a core length of 0.71 meters. Extension are cut off by faults and pegmatite intrusions. If there was room left here I'm sure Cominco would have drill tested it.

The **No Name Boulder Train** has had four holes drilled into it, source for the boulders is unknown. Geophysics has failed to locate the source.

The **Autumn Showing** has had five holes drilled into it. This showing area lies in a large pegmatite body that has cut off extensions to the mineralization.

The Horne Showing has had one hole drilled into it that failed to intersect mineralization downdip.

The Main Boulder Train has had 15 holes drilled into it that failed to intersect massive sulphides. The source for these boulders has not been located by either drilling or geophysics.

The **West Side Showing** has had 13 holes drilled into it that have defined the extent to the mineralization.

The **Mist and North Showings** have been drill tested by six holes. The best intersection to date is 18.2% Zn, 0.6% Pb over a core length of 0.70 meters. It's unclear as to the remaining potential to this zone.

The Spring Showing is pegmatited out.

The Raft Showing has had 8 holes drilled into it. Status is unclear.

The **Popout Showing** has only had a 1 meter sample taken from it that returned 5.7% Pb+Zn.

The **Com Showing** has had little work reported from it. Status unclear.

Out of all of the showings listed above the Mist and North, Spring, Raft, Popout and the Com Showings may not have been adequately tested to date. A review of the geophysics would have to be made. Both boulder train showings have not had their source areas identified. Again a more detailed review of the data would have to be made.

1995 SUMMARY REPORT

ON THE

HORNE CK ZN-PB PROPERTY (NTS 82M/13)

OWNER: MEL LAFRENIERE---Home Phone: (604)372-8230 KERRY WALCER Fax (answering machine) (604)372-3548

> HEL LAFRENIERE 2035 STEEPLE (OURT KAMLOOPS, BC V2E 2M2

LANCE STREET, STORY

September 18, 1995

Inmet Mining Corporation 311 Water Street 3rd Floor VANCOUVER, B.C. V6B 1B8

ATTENTION: IAN MORRISON

Dear Sir:

RE: THE HORNE C ZINC-LEAD PROPERTY

Enclosed is a brief description and summary of the Horne CK Zinc-Lead property north of Clearwater, B.C.

All core, maps, and geology reports are available.

If interested, please contact me by fax at (604)372-3548. If there is no response I will assume you have no interest.

Yours truly,

Mel Lafreniere

THE HORNE C ZINC-LEAD PROPERTY

Work to Date:

Some two million dollars have been expended on the Sedex Zinc-Lead Property since 1974. Work includes 19,000 metres of drilling (179 holes), over 12.000 rock and soil samples and 150km of geophysical surveys.

Drilling to Date:

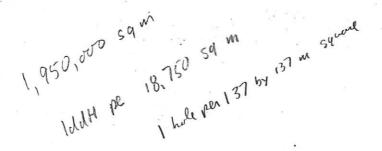
(104 ddh, 8500m) Indicates a resource on the new showing zone of some 200,000 tonnes of 12.9% to 14.5% zinc and 2.3% to 2.71% lead.

Present strike length of the zone is 1.3km to 1.5km with a down dip length of 150m to 200m.

Preliminary metallurgical tests on the ore in 1989 indicates marketability. An underground program has been recommended. Other sites on the property remain to be explored.

Much of the core remains intact along with all maps and geology reports.

295 claims totalling some 7100 hectares. The property is road-accessible close to Clearwater.



1994 SUMMARY REPORT

ON THE

HORNE CK ZN-PB PROPERTY (NTS 82M/13)

OWNER: I

1994 CK COMPILATION

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INTRODUCTION

The Andrew Horne CK Property presents an excellent opportunity to obtain a massive sulphide deposit at an advanced stage of exploration. Some \$2 million has been spent to date, much of it on the New Showing Zone, a resource presently calculated to contain some 200,000 tonnes of 12.9 to 14.5% zinc and 2.3 to 2.7% lead. Present strike length is 1.3 to 1.5 metres with a downdip length of 1550 to 250 metres. The zone remains the north.—Other showings on the property require further exploration.

The property is 160 km north of Kamloops, road accessible. It consists of 66 claims totalling 7100 hectares, 100% held by the vendor. Claim expiry dates range from 1997 to 1999.

LOCATION AND ACCESS (FIGURE 1)

The CK property is located in south central British Columbia. Central point of the property is located at the confluence of Kowalski Creek and the Raft River, some 23 kilometres northwest of Avola and 43 kilometres northeast of Clearwater. Geographic coordinates are 51 degrees 53' North latitude by 119 degrees 38' West longitude (NTS 82M/13E).

Access to the central portion of the property is via the Yellowhead Highway for 188 km north of Kamloops, then via the wide, well maintained Raft Forest Access Road for some 52 kilometres to the old Cominco camp area, where core is stored. Unmaintained logging roads provide 4-w-d seasonal access to much of the property. The balance is accessible by foot or by all terrain vehicle.

PHYSIOGRAPHY

Elevation ranges between 859 metres and 1700 metres. The topography is characterized by high interior plateaus and moderate rolling hills which are steeply incised by three major drainage systems: Stratton Creek, Richie Creek and the Raft River. Valley walls are steep but accessible.

Vegetation consists of thick second growth pine and spruce. Thick stands of cedar may be found in lower elevations and within creek drainages. Extensive undergrowth consists of alder, aspen and snow brush.

Precipitation is moderate. Yearly snowfalls average 1.5 to 2.5 metres, with most of the claim block snowfree from late May to early October. The temperature ranges from -40 to +35 degrees Celsius. In the early part of the season, water for diamond

drilling is available from numerous seasonal drainages but many of the drainages have dried up by late August.

CLAIMBASE REASOLD CORPORATION Claims Listing

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• •	CLAIN	EXPIRY RECO	NO GROUP		MINING		NO DATE	DATE	
	NAME	DATE ND 1	UNITS NAME	NTS REF	DIVISION	PROVINCE	HECTARES LOCATED	RECORDED DWKER	NOTES
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C	AUT	1998.08.08 2176:5	10	82M/13E	KAMLOOPS M.D.	BC	250.00	1986.08.08	
	AUT 2	1998.08.08 ABAN	10	82M/13E	KAMLOOPS M.D.	BC	250.00	1986.08.08	
	AUT 3	1998.08.27 ABAN	2	82M/13E	KAMLOOPS M.D.	BC	50.00	1986.08.27	
\sim	AUT 4	1998.08.19 2176/0	2	82M/13E	KAMLOOPS M.D.	BC	50.00	1986.08.19	•
	CK 1	1998.10.19 2215/2	1 CK Z	B2M/13E	KAMLDOPS M.D.	BC	20.90	1973.10.19	.HORNE/PESPERADO AGREEMENT 1986
									DESPERADO/REA AGREEMENT MAY
\mathcal{C}									28/86
		.7							1986 PRLSPECTING
									JAN-FEB/87 11BOWIRE 1372.8M
(·		·							JULY-DEC/87 &&KGRID,1269 SOILS
									MAPPING, MET REPORT, 84 MB DDH
		•							6975H #916,646.57
()		§:							JULY-SEPT/07 14.975K IP
		V							\$21,447.49
_		T.							AUG-NOV/88 37.11K GRID, 529
(•					•		SDILS, 13.98K MAG, 20K SURV.
		•							CONTRL LINE, 19.54K IP-RES,
		. •							500M2 TRENCH, 25 DDH 3754.4M
\mathbf{G}									\$542,963.2B
	CK 2	1998.10.19 2215 3	1 CK Z	82M/13E	KANLOOPS H.D.	BC	20.90	. 1973.10.19	
	CK 3	1998.10.19 221! 4	1 CK Z	B2M/13E	KAMLDOPS N.D.	BC	20.90	. 1973.10.19	
(CK 4	1998.10.19 221: 5	1 CK Z	82M/13E	KANLOOPS N.D.	BC	20.90	. 1973.10.19	
	CK 5	1998.10.19 221! 16	1	B2M/13E	KAHLOOPS H.D.	BC	20.90	. 1973, 10.19	
	CK P	1998.10.19 221 7	1 CK Z	82H/13E	KAHLOOPS M.D.	BC	20.90	. 1973.10.19	
(CK 11	1998.10.19 221 .0	1	B2M/13E	KANLOOPS M.D.		20.90	. 1973.10.19	
	CK 12	1998.10.19 221 1	ı	82H/13E	KANLOOPS M.D.	BC ·	20.90	. 1973.10.19	
	CK 15	1998.10.19 221 2	1	B2H/13E	KAKLOOPS M.D.	BC	20.90	. 1973.10.19	
١.	CK 16	1997.06.16 216 15	2	82H/13E	KANLDOPS H.D.	BC	50.00	. 1977.06.16	•
	CK 17	1997.06.16 216 56	1 CK Z	B2M/13E	KAMLDOPS H.D.	BC	20.90	. 1977.06.16	
	CX 45	1998.11.06 221 24	1 CK Z	82H/13E	KAMLOOPS M.D.	BC	20.90 .	. 1973.11.06	•
Ċ	CK 46	1998.11.06 221 25	1 CK Z	82H/13E	KAMLDOPS M.D.	BC	20.90 .		
	CK 47	1998.11.06 221 26	1 CK Z 1 CK Z	82H/13E	KAHLOOPS M.D.	BC BC		. 1973.11.06 . 1973.11.06	
	CK 4B CK 73	1998.11.06 221 27	1	82H/13E	KAMLOOPS N.D.	BC BC	20.90 . 20.90 .		
١.,	CK 74	1998.09.20 221 97	1		KANLOOPS M.D.	BC	20.90 . 20.90 .	. 1974.09.20	
	CK 75	1997.09.20 221 398 1998.09.20 221 399	i	82M/13E	KANLOOPS N.D.	BC		4004 44 44	
	CK 76		1	82H/13E	KAMLOOPS M.D.	BC	20.90 • 20.90 •	. 1974.09.20	
V .		1997.09.20 221500	1	B2M/13E	KANLOOPS N.D.	BC		. 1974.09.20	
	CK 78	1995.09.30 221:104		82H/13E	KANLDOPS M.D.		20.90 .	. 1974.09.20	
	CK 80 CK 81	1995.09.30 221406	1	82M/13E	KANLDOPS N.D.	BC. BC	20.90 - 100.00 -	. 1977.08.18	• *
	CK 84	1997.08.18 216/64	•	82H/13E	KANLOOPS M.D.	BC BC		. 1977.08.18	
	CK 85	1999 1994 .10.07 216771	0	82H/13E	KANLDOPS M.D.	BC	150.00		
,	CK 85	1997.07.27 216788 1998.07.27 216789	•	82M/13E 82M/13E	KANLOOPS N.D.	BC	150.00	. 1978.07.27	
٠	CK 87	1997.0B.15 216794	20	82N/13E	KAMLDOPS M.D. KAMLDOPS M.D.	BC	500.00	. 1978.08.15	
	CK 88	1997.08.15 216795	15 CK Z	85H/12E	KAMLOOPS N.D.		375.00	4070 40 40	,•
ζ.	CX 89	1998.05.27 31:393	B CK Z	85H/12E	KAMLOGPS M.D.	BC		.16 1989.08.21	
•	CK. 91	1997.08.15 AB: N	4 CK Z	B2H/13E	KANLODPS M.D.		100.00		• .
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CLAIMBASE REAGOLD CORPORATION Claims Listing

,	CLAIN	EXPIRY	RECORD	NO GROUP		MINING		NO DATE	DATE	
	NAME	DATE	NC	UNITS NAME	NTS REF	DIVISION	PROVINCE	HECTARES LOCATED	RECORDED DWNER	NOTES
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								•		
_	CK 92FR	1998.08.2	25 216799	1 CK I	82M/13E	KAMLOOPS M.D.	BC .	20.70	1978.08.25	
C	CK 93FR	1998.08.2	25 216E)0	1	B2H/13E	KAMLOOPS M.D.	BC	20.90	1978.08.25	
	CX 94	1997.11.0	1 216620	20	B2M/13E	KAMLOOPS M.D.	BC	500.00	1978.11.01	
	HIGH 9	1998.02.0	216140	2.	82M/13E	KAMLOOPS M.D.	BC	50.00	1979.02.09	
(NORTH 1	1997.11.0	1 216621	20 CK Z	82H/13E	KAMLDOPS M.D.	BC	500.00	1978.11.01	
	NORTH 26	1997.07.	29 2215 15	. i	82M/13E	KAMLOOPS M.D.	BC	20.90	1974.07.29	•
	NORTH 28	1997.07.2	29 221! 6	i	82M/13E	KAHLOOPS M.D.	BC	20.90	1974.07.29	
ť"	NORTH 39	1997.07.2	29 2215-7	1	82M/13E	KAMLOOPS M.D.	BC	20.90	1974.07.29	
	NORTH 40	1997.07.2	29 221: 8	1	82H/13E	KAMLOOPS M.D.	8C .	20.90	1974.07.29	
	NORTH 41	1997.07.2	29 221: 9	i	82M/13E	KAHLOOPS M.D.	BC	20.90	1974.07.29	
•	NORTH 42	1997.07.2	29 221: 10	1	82H/13E	KAKLOOPS M.D.	BC	20.90	1974.07.29	
	NORTH 43	1997.07.2	29 221' 1	1	82H/13E	KAMLODPS M.D.	BC	20.90	1974.07.29	
	NORTH 44	1998.07.3	29 221:	1 CK Z	82N/13E	KAHLOOPS M.D.	BC	20.90	1974.07.29	
C.	NORTH 45	1998.07.3	29 221' i3	1 CK Z	B2N/13E	KAMLDOPS M.D.	BC	20.90	1974.07.29	
•	NORTH 46	1998.07.1	29 228: 14	1 CK Z	82H/13E	KAMLOOPS N.D.	BC	20.90	1974.07.29	
	NORTH 57	1997.07.	29 221(15	1	82M/13E	KANLOUPS M.D.	BC	20.90	1974.07.29	
\circ	KORTH 59		29 221: ib	1 CK Z	82H/13E	KAMLOOPS M.D.	BC	20.90	1974.07.29	Hir
	NORTH 61	1997.07.	29 221; j7	1	82H/13E	KAHLOOPS M.D.	BC	20.90	1974.07.29	•
	NORTH 63		29 2215 18	1	82M/13E	KANLOOPS N.D.	BC	20.90	1974.07.29	
\odot	NORTH 65		29 221559	. 1	82M/13E	KAMLDOPS M.D.	BC	20.90	1974.07.29	
	NORTH 67		29 221550	i	82M/13E	KAMLOOPS M.D.	BC	20.90	1974.07.29	*
	PARK 1	1998.11.	15 216É 27	20	82M/13E	KANLOOPS N.D.	BC	500.00	1978.11.15	
$^{\circ}$	PARK 2		15 216E28	20	82H/13E	KAHLDOPS N.D.	BC	500.00	1978.11.15	
•	PARK 3		15 214829	. 5	82H/13E	KANLOOPS M.D.	BC	125.00	1978.11.15	•
	PARK 4		15 216830	20	82M/13E	KANLOOPS M.D.	BC .	500.00		
\circ	RAFT 30		28 221539	1	82H/13E	KAHLOOPS N.D.	BC	20.90	4000 44 00	
	RAFT 32		28 221541	1	82H/13E	KAMLDOPS M.D.	BC	20.90	1973.11.2B	
	RAFT 34		28 271543	1	82N/13E	KAKLOOPS H.D.	BC	20.90	1973.11.28	
L	STRAT 2		15 216F24	18	82H/13E	KAHLOOPS M.D.	BC ·	450.00		
• •	STRAT 3	•	15 216825	16	82M/13E	KANLOOPS N.D.	BC	400.00		
	STRAT 9		15 216826	15	82M/13E	KANLOOPS N.D.		375.00	1978.11.15	. •
\circ	TOP 1		12 217691	1	82H/13E	KAMLODPS M.D.	BC	20.90		
1.2	TOP 2		12 217692	1	82H/13E	KAHLOOPS N.D.	BC	20.90		
	TOP 3		12 217/73	1	82H/13E	KAMLOOPS N.D.	BC	20.90	1984.11.12	
L	ULO 2		30 221(08	1	B2H/13E	KAHLDOPS M.D.	BC	20.90		•
	ULO 4		30 221610	1	82M/13E	KAHLOOPS N.D.	BC	20.90	1974.09.30	
	** Subtotal **			•			70	•••••		
				295				7480.64		
	*** Total ***					•				
	•			295				7480.64		

This is Exhibit "B" ref to in the Affidavitor & SAZE SIGNES

FIGURE 1

(22 km), diamond drilling (20 holes, 2114 m).

FIGURE 2: CLAIM MAP

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HISTORY (CONTINUED)

- 1979 Mapping, geochemistry (8000 samples), I.P. (4 km) and diamond drilling (18 holes, 2768 metres).
- 1980 Detail mapping, prospecting, geochemistry (2000 samples), I.P. (12 km), diamond drilling (15 holes, 1277 metres).
- 1981 Summary report.
- 1982 -1984 No work.
- 1985 Property returned to Mr. Horne.
- January: Property report by Blanchflower. Property acquired by Rea Gold.

 Summer: Re-establish central grid, prospecting, geochemistry (21 samples), access road construction, trenching. COM and Horne Showings discovered.

 September: "Preliminary Economic Evaluation", J. M. Ashton & Associates Ltd.
- Jan/Feb: DDH program on New Showing (11 holes, 1373 metres, BQ).

 June-Dec: Geochemistry (1269 samples), mapping, diamond drilling (84 holes, 6975 metres, NQ), I.P. (15km).

 Autumn, Horne, Main Boulder, North Strat, No Name, New Showing areas.
- 1988 February: "Drilling and Geological Report on 1987 Exploration" J. L. Oliver, for Minorex Consulting.
 Aug-Nov: Trenching, diamond drilling (25 holes, 3754 metres. NQ), I.P. (19.5 km), Mag (13.9 km), geochemistry (529 samples) supervised by Dolmage Campbell for Rea Gold. Raft Synform, North & Mist, East Side, Raft River Valley, Syn areas.
- Reports from Dolmage Campbell
 Fall: Trival examination of New Showing (reported in Japanese—missing from file)
 September: Reclamation of drillsites & trenches by Dolmage Campbell
 Total Rea Gold expenditures on the CK were in excess of \$1.2 million

1990-1991 No work.

1992 - Property returned to Mr. Horne

FIGURE 4: CK WORK TABLE

REGIONAL GEOLOGY (FIGURE 5)

The CK property lies within rocks of the Shuswap Metamorphic Complex, in an arcuate belt (the Kootenay Arc) of amphibolite facies meta sediments and orthoneiss which extends north to Hobson Lake and continues southeasterly for some two hundred kilometres to the Monashee Mountains.

The rocks of the Complex are highly deformed pelitic and carbonate assemblages frequently intruded by younger pegmatites and granites. Metasediments include calc silicate gneiss and biotite gneiss with lesser marble and quartzite.

Stratiform lead zinc occurrences located in the Complex include:
Ruddock Creek: 5,000,000 tonnes 2.5% Pb, 7.5% Zn,trace Ag
Cottonbelt 700,000 tonnes 6% Pb, 5% Zn, 60 g/t Ag
Jordan River 2,600,000 tonnes 5.1% Pb, 5.6%Zn, 35 g/t Ag
Big Ledge 6,500,000 tonnes 4% Zn

(Hoy, 1987)

Massive sulphide occurrences in these deposits are generally associated with calc silicate sequences (some with marble horizons) and pelitic sediments (biotite almandine gneiss). In some deposits, zinc to lead ratios to 5:1 may be present.

PROPERTY GEOLOGY (FIGURES 6,7,8)

Three major rock units are present within property boundaries. These consist of biotite gneiss, calc silicates and amphibolite gneiss. Intrusive rocks and large bodies of pegmatite form topographic highs and near-vertical bluffs. Gneissic rocks, softer than the intrusives, form rounded to steepsided ridges. The calc silicate and amphibolitic members form topographic lows or relatively more flat-lying slopes. The calc silicates include calc silicate gneiss, micaceous schist and gneiss, and layers of white marble up to 40 metres in thickness.

Where pegmatite is abundant, as in the region south of the New Showing, the mineralized horizons are, in some cases, truncated by the pegmatite. In their 1989 site visit, the Mitsui geologists noted that, at one mine in Japan, the pegmatite exhibits a sill-like structure and the sulphide horizon parallels that structure (verbal comm. Topham). This has not been investigated. North of the New Showing, pegmatite is relatively scarce and mineralized zones are more continuous.

Rocks underlying the CK have been subject to two stages of folding: isoclinal folding and a later, broad, relatively open style folding. Faults trend northeast to north by northeast and display both dextral and sinistral offsets. Rotational faults are present.

FIGURE 5: REGIONAL GEOLOGY (HOY MAP)

FIGURE 7: DOLMAGE CAMPBELL GEOCHEM...)

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FIGURE 8: CK STRATIGRAPHIC COLUMN

MINERALIZATION

Hoy (1987) describes the Shuswap massive sulphide deposits"... as highly deformed and metamorphosed examples of the exhalative sedimentary group of base metal deposits...""Sulphides are presumed to have been deposited with the enclosing calcareous shales in restricted shallow marine basins in a platform environment."

The CK mineralized "horizon" consists of a stratabound Tayer of massive sphalerite, pyrrhotite, and galena generally associated with marble at the transition between the biotite gneiss (the structural hanging wall) and siliceous calc silicates (the structural footwall). Thickening of the zinc-lead layer occurs in the hinge area of the isoclinal folds.

DISCUSSION

THE NEW SHOWING ZONE (FIGURES 9 AND 10)

The New Showing Zone is located some 1.5 kilometres north of the confluence of the Raft River and Kowalski Creek, close to the centre of the property.

It was discovered in 1978 by Cominco. A trench, 100 metres in length, dug at the site of a boulder train, uncovered a 3 to 5 metre thick layer of massive sulphides. Since that time, 104 holes of NQ and BQ core, totalling 8500 metres, have been drilled to delineate the zone. To date, the sulphide body has been shown to have strike continuity over some 1500 metres and dip continuity over a downdip length of some 200 metres. (See Figure 7). Oliver (1988) notes that "The faulted extension of the zone between Line 100+50N and Line 101+50N should be further drill tested. This area lies uncomfortably close to the most impressive showing on the property, which appears to be truncated by a major fault traversing through it."

The zone strikes 135 degrees. Note the rotational fault at Line 98+50N, where the dip shifts from 45 degrees northeast to a steep southwesterly angle.

Three independent rough calculations have been done of the New Showing resource inventory. J. L. Oliver's calculation, from his February, 1988 Report, shows unweighted average values of 1.45% zinc, 2.36% lead, 8 gpt Ag, over 1.16 m (83 intersections). Dolmage Campbell, using 53 intersections, calculated 208,000 tonnes at 12.93% zinc, 2.36% lead (15.29% combined), 2.17 m average thickness, 10% cutoff, S.G. 3.0. (Unofficial figures) The Mitsui geologists calculated some 200,000 tonnes of 13.64% zinc, 2.71% lead, 3.64 gpt Ag, average width 50 cm, 10% combined cutoff, S.G. 3.0, no dilution.

DISCUSSION (CONTINUED)

THE NEW SHOWING ZONE

Sulphides consist of red-brown, fine grained sphalerite with galena, and a less common coarse grained black sphalerite and galena. While some iron is present, the Mitsui laboratory, in found that the sulphide was marketable. They stated that the coarse grained material presented no difficulty, while the fine grained material would require more processing, but remains economic. (Verbal comm. Topham) In a March, 1987, press release, Rea Gold stated that metallurgical tests by Rio Tinto in 1974 indicated recoveries of 96.5% for lead, and 97.8% for zinc.

The "Core Ground" claims consist of CK 84, CK 48, CK 86, CK 85, and CK5. Boundary Claims consist of CK 13 and CK 15. The main claim, CK 84, is in good standing until 1999. Surrounding claims are in good standing until 1997 and 1998. Some fifty boxes of mineralized core have been removed from the site and stored at a nearby farm.

FIGURE 10

DISCUSSION (CONTINUED)

OTHER SHOWINGS (FIGURE 11)

COM SHOWING: This showing, never examined, is situated on the eastern boundary of CK 89. The one mineralized sample seen by Topham consisted of a coarse grained black sphalerite-galena. Cominco did not release the claim until late 1989, after Rea Gold had ceased work.

There are several other showings on the property, which have been examined at varying levels of intensity. Oliver (1988), and Dolmage Campbell (1989) discuss them.

NORTH STRAT: This showing lies on strike with the New Showing zone, some 3 kilometres to the southeast. A total of 31 holes have been drilled. Two bands of zinc-lead-silver show grades of 13.16% Zn, 1.32% Pb, 4.51 gpt Ag over 0.705 m. Truncated by pegmatite and a series of dextral faults. Claims: Strat 9, CK 87.

NO NAME BOULDER TRAIN: Cominco grab sampling yielded 10.2% Zn/Pb over 200 m from a series of mineralized boulders. The source has not been found. Four holes have been drilled. Claims: CK 87.

AUTUMN SHOWING: Massive sulphides exposed over a strike length of 20 metres. Cominco sampling yielded 13% Zn/Pb over 100 m. Five holes have been drilled. This showing is embayed within a pegmatite field. Claims: CK 88.

HORNE SHOWING: Massive sulphides are exposed over 20 to 25 metres on steep cliffs on the north side of Stratton Creek. Average thickness is 0.5 to 0.75 metres. One hole was drilled in 1987. It failed to intersect mineralization. Claims: Aut and Aut 4.

MAIN BOULDER SHOWING: Cominco sampling yielded 27% Zn/Pb over 400m. Mineralized boulders were tested by some 15 drill holes. Massive zinc was not intersected. Claims: CK 1, CK 2, CK 3, CK 4.

AST SIDE SHOWING: Thirteen holes have been drilled to test a discontinuous mineralized horizon. Cominco defined an 850m long horizon. Rea drilling did not intersect mineralization. Claims: CK 2 and CK4.

MIST AND NORTH SHOWINGS: Most westerly limb of isoclinal fold. The North consists of massive sulphides in a single horizon between biotite gneiss and underlying marble. Rio Tinto (Hole CK 75-3) intersected 0.7% Pb, 4.0% Zn over 1.1.m. Relogging of CK 75-2 identified a zone 0.7m wide grading 0.6% Pb and 18.2% Zn. Six holes have been drilled. No indication of structural thickening was found. The Mist claim has been allowed to lapse. North Claims: North 46 and ULO 4.

DISCUSSION (CONTINUED)

OTHER SHOWINGS:

SPRING SHOWING: Truncated to the southeast by pegmatite. Deep talus to the northwest. Sample 62028 yielded values of 0.2 opt Ag, 3.53%Pb and 10.5% Zn over 0.6m. Claims: CK 86.

RAFT SYNFORM: Fold closures in the zinc horizon are close to the surface. Cominco quoted 20% Zn/Pb at the nose. Good correlation of geological, geochemical and geophysical data. Eight holes have been drilled. Units appear to be repeated, but thickening has not been found. Claims: Park 1 and North 1.

POPOUT: Cominco grab sampling yielded 1 metre of 5.7% Zn/Pb. No drilling hs been done.

SYN CLAIMS: The SYN 1, 2 and 3 claims, to the northeast of the claim block, were staked in 1988. Later, in the same year, a geochemical grid of 19 east-west lines, spaced at 100m intervals was flagged. Dolmage Campbell (consulting for Rea Gold) directed work which included soil sampling, 529 soil samples taken at 50m intervals. Geophysical surveys consisted of 11.2 km of IP, resistivity and magnetometer. A total of 6 holes (1294.5m) of NQ diamond drilling was carried out. A calc-silicate unit was identified, and DDH CK-30 intersected zinc-lead from 133.4m to 135.0m, grading 2% Zn and 0.7% Pb. The SYN claims were allowed to lapse, either by Rea Gold or Mr. Horne.

FIGURE 11: MAP OF OTHER SHOWINGS

REFERENCES:

- Blanchflower, J.D.B. 1987: Drilling Report on the CK Property. Private Company Report.
- Dolmage Campbell & Associates (1975) Ltd. 1988: Compilation Report, C.K. Property, Kamloops Mining Division, British Columbia. Private Company Report.
- Dolmage Campbell & Associates (1975) Ltd. 1989: Geophysical, Trenching, Diamond Drilling and Geological Report on the 1988 Exploration of the CK Property, 3 Volumes. Private Company Report.
- Hoy, T. 1987: Geology of the Cottonbelt Lead-Zinc-Magnetite Layer Carbonatites and Alkalic Rocks in the Mount Grace area, Frenchman Cap Dome, Southeastern British Columbia. Bull. 80, 99 pages.
- Murrell, M. R. 1979: Report on the CK Property, Kamloops Mining Division, British Columbia, 1978 Field Work. Private Company Report to the Owner.
- Murrell, M.R. 1980: Report on the CK Property, Kamloops Mining Division, British Columbia, 1979 Field Work. Private Company Report to the Owner.
- Murrell, M. R. 1981: CK Property, Report to Owner, 1980 Field Work.
 Private Company Report to the Owner.
- Oliver, J. L. 1988: Drilling and Geological Report on the 1987 Exploration of the CK Property, Kamloops Mining Division, British Columbia. Private Company Report.
- Topham, S. L. 1994: (Personal Discussion) Notes and discussion from employment with Rea Gold.

APPENDIX

DOLMAGE CAMPBELL FUTURE WORK RECOMMENDATIONS

DOLMASK CAMPBELL LTD.

-?--

If successful this program could add up to 100,000 tonnes to the known reserves.

Respectfully submitted, Doimage Campbell Ltd.

🕽 J.L. Rotzlen, P.Eng., M.A.

enclosures JLR:

i -

DOLMASE CAMPBELL LTD.

-3-

COST ESTIMATE FOR 1990 EXPLORATION OF THE NEW SHOWING CK PROPERTY

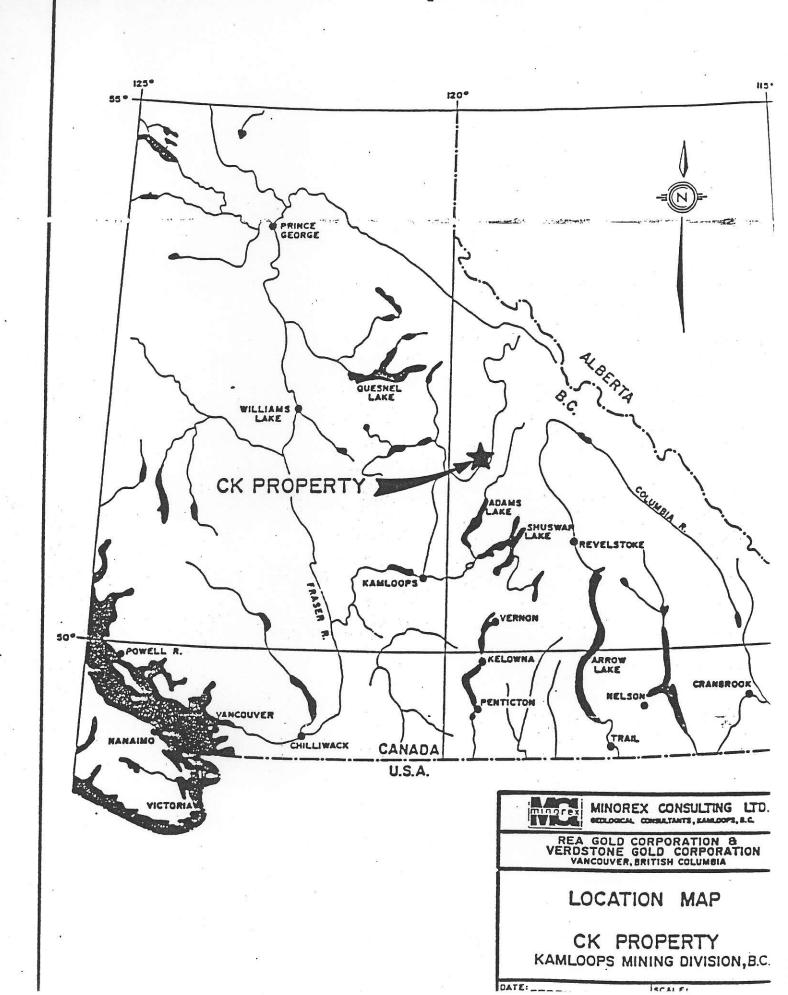
1)	Planning and Organization J. Rotzlen 3 days @ \$375 Jr. Engineer 1 day @ \$250 \$	1,125 250	\$ 1,375
2)	Geological Supervision and Core Logging Intermediate Geologist 25 days @ \$350 \$ Jr. Engineer 25 days @ \$250 \$ Duties Incl. spotting holes, core logging, drill hole surveying (surface & down hole) -Stadia Traverses from known holes to known holes (closed loop).	8,750 6,250	\$ 15,000
	(Closed toop).		
3)	Site Preparation Say \$5,000		\$ 5,000
4)	Drilling 5 to 8 holes totalling 1,000 m @ \$50/m Reclamation		\$ 50,000 3,000
5)	Analytical say 8 Intersections with 4 samples per = 32 samples @ \$30/sample		\$ 960
6)	Accommodation at Clearwater 50 man-days @ \$55/day		\$ 2,750
7)	Transportation 4 × 4 1/2-ton rental for 1 month plus mileage		\$ 1,000

DOLMAGE CAMPBELL LTD.

-4-

1990 EXPLORATION OF THE NEW SHOWING CK PROPERTY

8)	Mobile radio telephone, license etc.	\$	300
9)	Travel 3 round trips @ \$500 each	\$	1,500
10)	Field Supplies	\$	200
11)	Administration and Management		5,900
12)	Contingency (10%)	\$	9,390
13)	Report Sr. Engineer (J. Rotzien 5 days @ \$375) Jr. Engineer 5 days @ \$250 Draughting, Copying	\$ \$ \$_	1,875 1,250 500
TO.	TAL	\$:	100,000



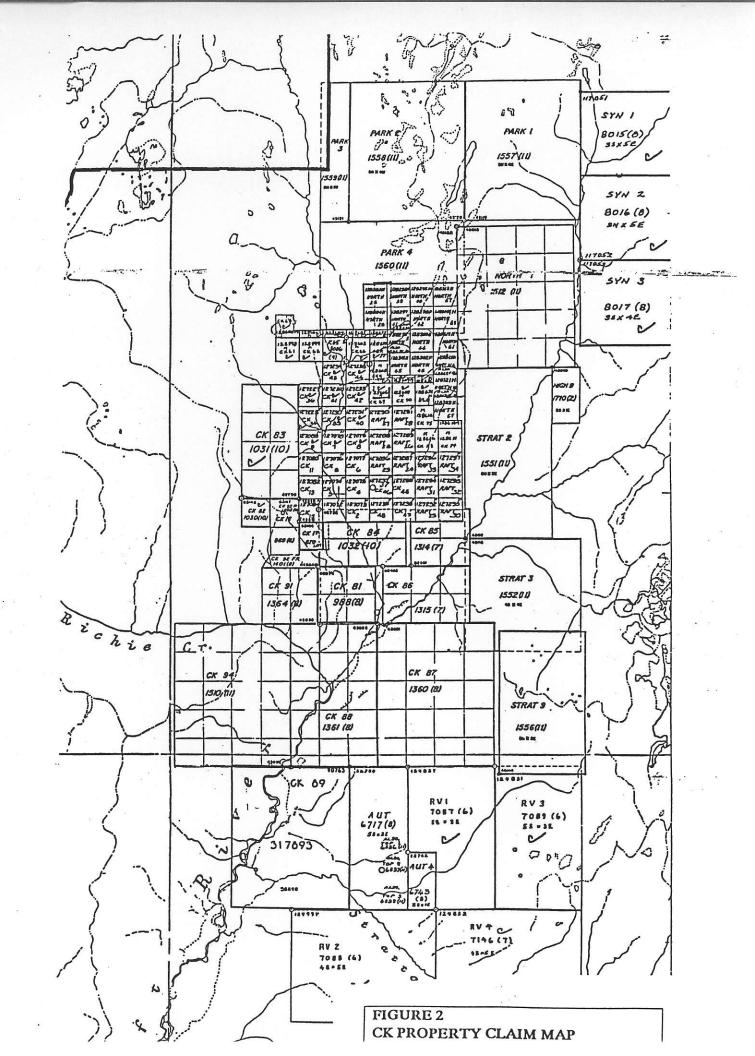


FIGURE 3: CK CLAIM DATA

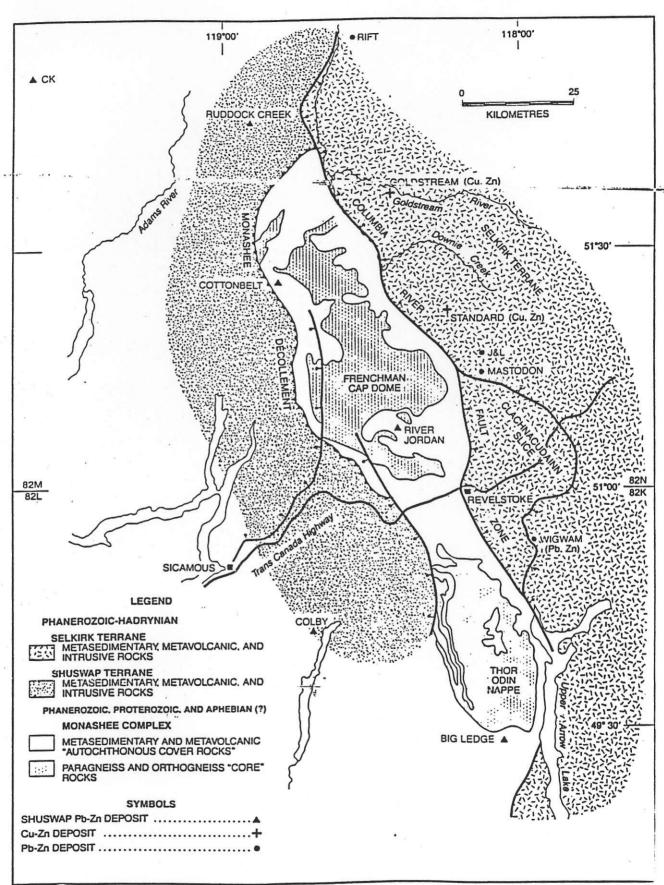
EXPIRY	CLAIM	RECORD	UNITS	HECTARES
DATE	NAME	NO.		
08-Aug-98	AUT	217633	10	250.00
19-Aug-98	AUT4	217640	2	50.00
19-Oct-08		22,1502	. 1	≪n nn
19-Oct-98	CK2	221503	1	20.90
19-Oct-98	CK3	221504	1	20.90
19-Oct-98	CK4	221505	1	20.90
19-Oct-98	CK5	221506	1	20.90
19-Oct-98	CK6	221507	1	20.90
19-Oct-98	CK11	221510	1	20.90
19-Oct-98	CK13	221511	1	20.90
19-Oct-98	CK15	221512	1	20.90
16-Jun-97	CK16	216755	2	50.00
16-Jun-97	CK17	216756	1	20.90
06-Nov-98	CK45	221524	1	20.90
06-Nov-98	CK46	221525	1	20.90
06-Nov-98	CK47	221526	1	20.90
06-Nov-98	CK48	221527	1	20.90
20-Sep-98	CK73	221597	1	20.90
20-Sep-97	CK74	221598	1	20.90
20-Sep-98	CK75	221599	1	20.90
20-Sep-97	CK76	221600	1	20.90
30-Sep-95	CK78	221604	1	20.90
30-Sep-95	CK80	221606	1	20.90
18-Aug-97	CK81	216764	4	100.00
07 - Oct - 99	CK84	216771	6	150.00
27 - Jul -97	CK85	216788	4	100.00
27 - Jul - 98	CK86	216789	6	150.00
15-Aug-97	CK87	216794	20	500.00
15-Aug-97	CK88	216795	15	375.00
27-May-98	CK89	317893	8	494.24
25-Aug-98	CK92FR	216799	1	20.90
25-Aug-98	CK93FR	216800	1	20.90
01-Nov-97	CK94	216820	20	500.00
09-Feb-98	HIGH9	216840	2	50.00
01-Nov-97	NORTH1	216821	20	500.00
29-Jul-97	NORTH26	221545	1	20.90
29-Jul-97	NORTH28	221546	1	20.90
29-Jul-97	NORTH39	221547	1	20.90
29-Jul-97	NORTH40	221548	1	20.90
29-Jul-97	NORTH41	221549	1	20.90
29 – Jul – 97	NORTH42	221550	1	20.90
29 - Jul - 97	NORTH43	221551	1	20.90
29 – Jul – 98	NORTH44	221552	1	20.90
29 – Jul – 98	NORTH45	221553	1	20.90

FIGURE 3: CK CLAIM DATA

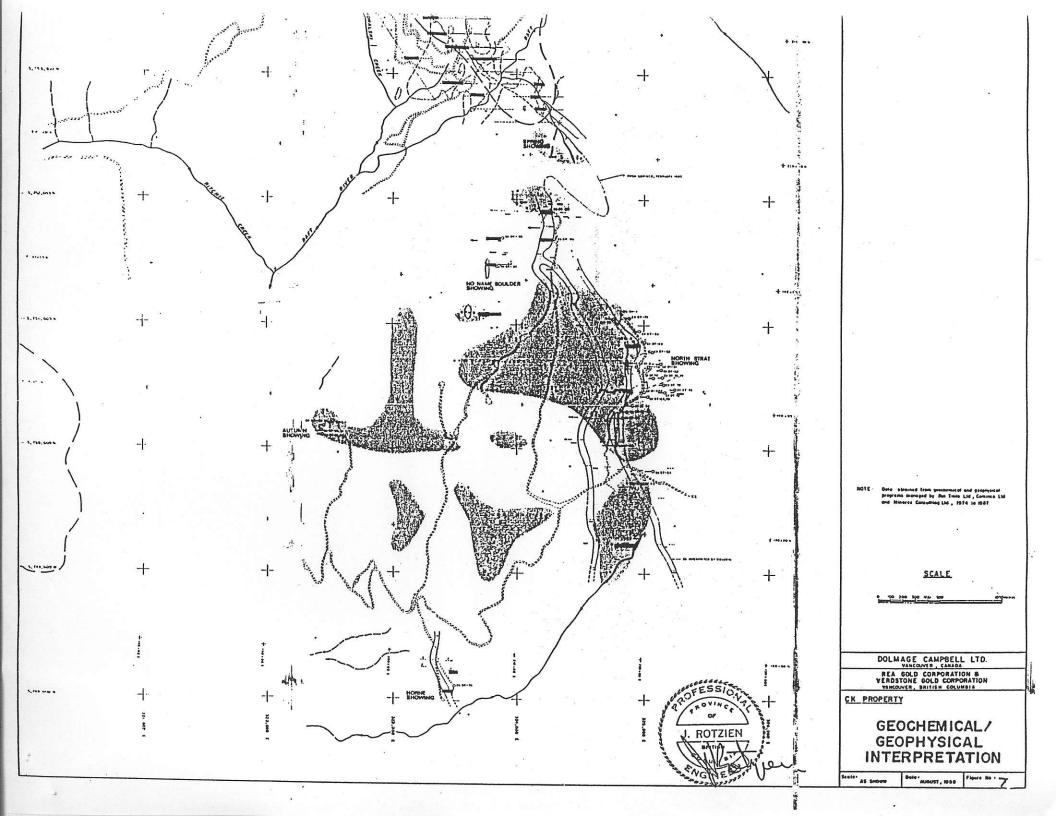
29-Jul-98	NORTH46	221554	1	20.90
29-Jul-97	NORTH57	221555	1	20.90
29-Jul-97	NORTH59	221556	1	20.90
29-Jul-97	NORTH61	221557	1	20.90
29-Jul-97	NORTH63	221558	1	20.90
29-Jul-97	NORTH65	221559	1	20.90
29-Jul-98	NORTH67	221560	1	20.90
15-Nov-98	PARK1	216827	20	500.00
15-Nov-98	PARK2	216828	20	500.00
15-Nov-98	PARK3	216829	5	125.90
15-Nov-98	PARK4	216830	20	500.00
28-Nov-98	RAFT30	221539	1	20.90
28-Nov-98	RAFT32	221541	1	20.90
28-Nov-98	RAFT34	221543	1	20.90
15-Nov-96	STRAT2	216824	18	450.00
15-Nov-98	STRAT3	216825	16	400.00
15-Nov-98	STRAT9	216826	15	375.00
12-Nov-98	TOP1	217691	1	20.90
12-Nov-98	TOP2	217692	1	20.90
12-Nov-98	TOP3	217693	1	20.90
30-Sep-98	ULO2	221608	1	20.90
30-Sep-98	ULO4	221610	1	20.90
				_
TOTAL	66		279	7109.74

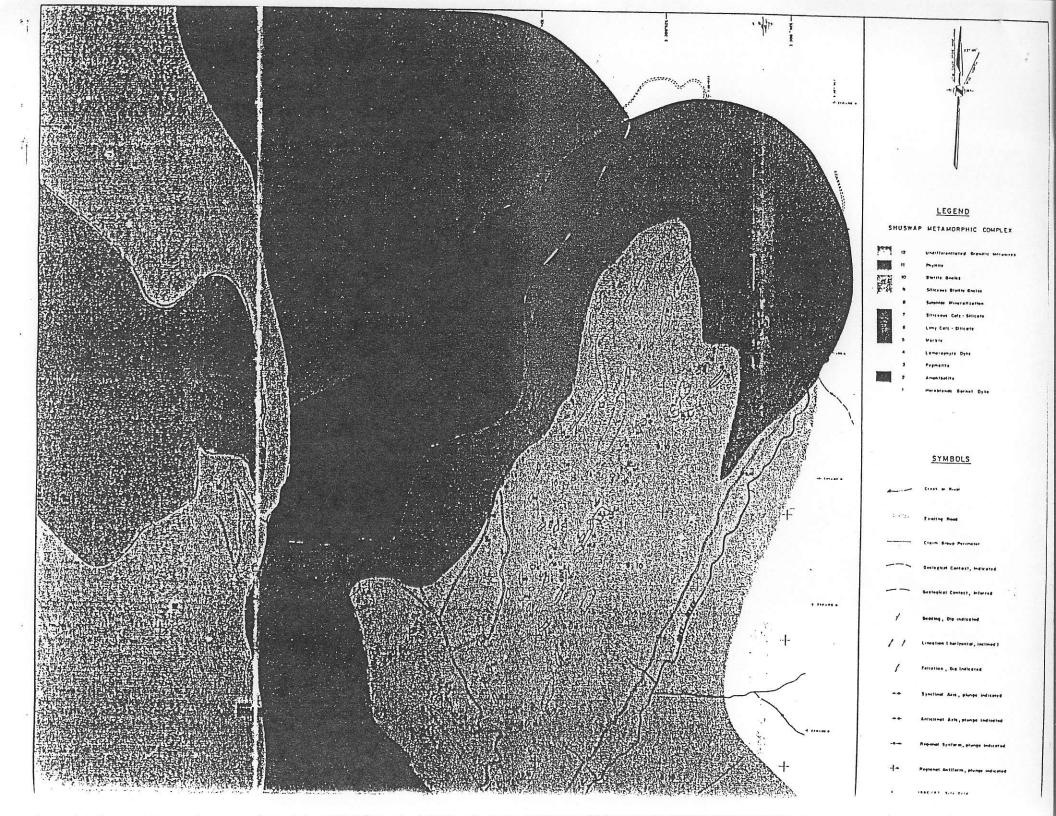
TABLE 4: CK WORK

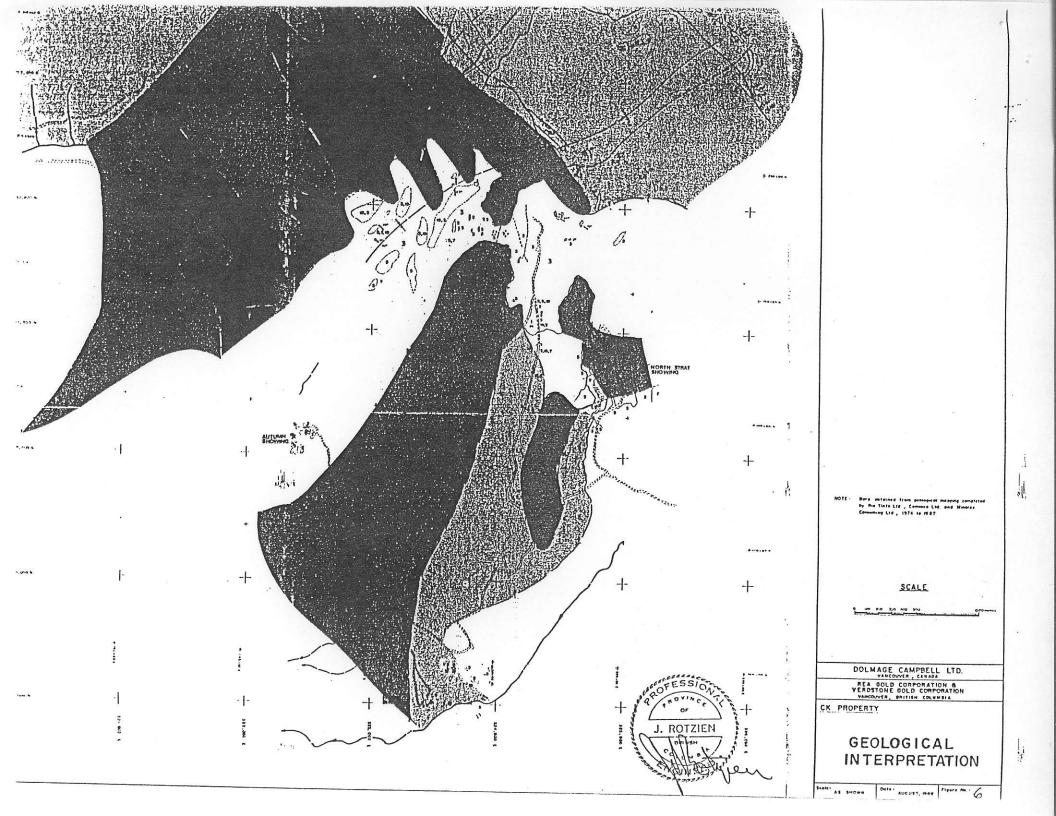
YEAR	COMPANY/ZONE	DR	ILLING	TRENCI	SOILS	VLF	IP	MAG
		DDH	METRES			KM	KM	KM
1974	RIO TINTO	4	386		X			AIR
	MAIN DOULDER							
1975	RIO TINTO	3	359		X		X	4
	MAIN BOULDER							
1976	SICINTINE			X				
	MAIN BOULDER							
1978	COMINCO	20	2114		600	22	38	30
	NEW SHOWING, EAST SIDE							
1979	COMINCO	18	2768		8000		4	
	NS,MB,MIST,RAFT							
1980	COMINCO	15	1277		2000		12	
	NS,MB,MIST,RAFT							
1987	REA	11	1373					
	NEW SHOWING							
1987	REA	84	6975		1269		15	
	MIXED SOUTH							
1988	REA (DOLMAGE CAMPBELL)	18	2460	X	529		8.3	2.7
	RAFT,NORTH,MIST,ESIDE							
1988	REA (DOLMAGE CAMPBELL)							
	SYN	6	1294				11.2	11.2
	TOTALS	179.0	19,006.0	X	12,398.0	22.0	88.5	47.9

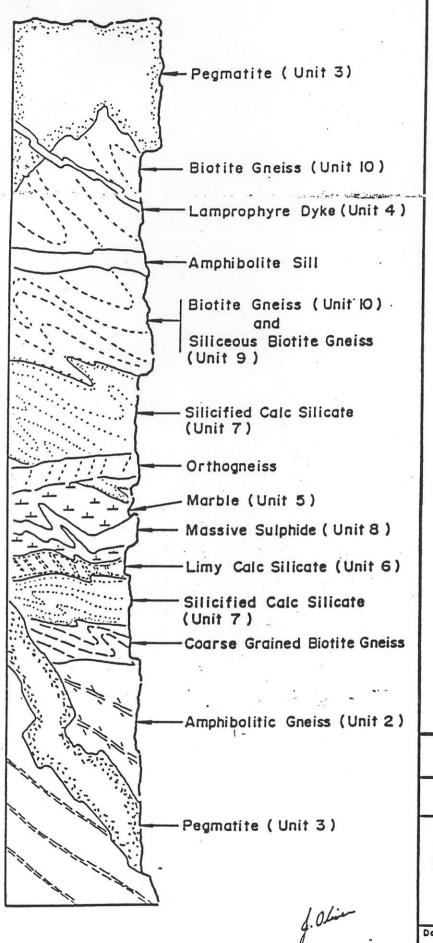


The Monashee Complex. From: Höy, Trygve, (1987)









-- LEGEND --

SHUSWAP METAMORPHIC COMPLEX

Biotite Gneiss

9 Siliceous Biotite Gneiss

8 Sulphide Mineralization

7 Siliceous Catc-Silicate

6 Limy Calc-Silicate

5 Marble

4 Lamprophyre Dyke

3 Pegmatite

2 Amphibolite

Hornblende Garnet Dyke

To accompany a report by J.L. Oliver



MINOREX CONSULTING LTD. GEOLOGICAL CONSULTANTS, VANCOUVER, B.C.

REA GOLD CORPORATION & VERDSTONE GOLD CORPORATION VANCOUVER BRITISH COLUMBIA

CK STRATIGRAPHIC COLUMN

CK PROPERTY

Date: February, 1988 Scale: Not To Scale

Technical Work By: J. Oliver

FIGURE 9

FIGURE 10 Mineralized Intersections, New Showing Zone

DDH No.	Intercept m.	A.T.m	T.T.m	Ag ppm	Pb %,	Zn %
CK 73-2 CK 78-3 (1) CK 78-4 (1) CK 78-5 (1)			2.5 2.6 1.7 5.0 3.7	nd nd nd nd		4.5 14.6 6.3 4.5
CK 78-145	54.5-61.5 45.9-48.5 49.0-51.5 38.3-38.9	7.0 2.6 2.5		nd nd nd nd	.5 2.2 .3 3.65	
CK 79-4 - CK 79-5 - CK 79-6 - CK 79-7 - CK 79-8 - CK 79-9 - CK 79-10	77.79-77.83 80.2-80.65 80.1-81.6 120.3-120.35 175.8-176.1	1.5	.47 .04 .42 1.5		.04 3.86	20.1 8.94 1.22
-CK 79-11 -CK 79-12 -CK 79-14		.41 1.6 .7			.9 .02 2.37 3.4	5.83 .57 8.48 1.04
CK 80-1 CK 90-2 CK 80-3 CK 80-4 CK 80-4	38.3-38.9 52.65-53.05 58.2-58.5 65.0-65.8 64.7-67.2 47.0-48.2 75.5-75.7 30.6-62.8		.56 .38 2.34 1.12 2.12	nd nd nd nd nd nd	3.65 1.98 .36 4.8 1.5 1.4 .22	9.6 4.3 23.4 8.8
-CK 80-6 -CK 80-7	99.4-100.3	.9 .75	.35	nd nd	2.6	15.7 7.5
-CK 87-2 -CK 87-6 -CK 87-8 CK 87-9	148.3-148.8 118.9-119.5 121.55-121.15 153.5-153.9 55.4-58.6 59.8-60.1 58.3-61.8 69.4-72.9	.5 .6 .4 3.2 .3	.424 .424 .35 2.3 .2 2.47	3.8 ozT 1.8 2.0 9.2 6.67	1.74 3.75 1.37 1.28 3.06 2.04	18.45 15.2 26.0 23.9 9.25 27.6 9.95
	74.8-77.0	4.5 2.2 ·	3.18 1.55		3.86 2.1	18.91

```
· MINERALIZED INTERSECTIONS (CONT) ·
                                                             21.4
                                              8.9
                                                     4.15
CK 87-12 (>) 21.6-22.6
                                     .34
                                              9.5
                                                     2.4
                                                             18.4
CK 87-13- 56.7-57.1
                                     .17
                             . 4
                                                      2.42
                                                             11.0
                                              1.28
CK 87-14
            10.4-13.8
                            3.4.
                                    2.4
                                                       .25
                                                              2.65
                                               .15
CK 87-16
            14.0-18.0
                            4.0
                                    2.5
                                                              9.4
                                     .79
                                            0.63 ozT 1.48
                            4.6
CK 87-17
            75.4-82.4
                                              2.5
                                                     3.74
                                                             19.6
CK 87-19 107.0-107.5
                              . 5
                                     .32
                              .5
                                                             33.3
                                                     2.5
CK 87-20 161.6-162.1
                                               .3
                                     .21
                                                     3.04
                                                             15.2
CK 37-21- 69.2-69.7
                              . 5
                                     .19
                                             14.0
                                     .5
                              .55
                                                             21.4
CK 87-23 - 82.65-83.2
                                              8.4
                                                     4.15
                                                    4.22 = 19.5
                                    -. 35 ---
                                           · ... . 2 . 1 ...
CK 07-24 - 110.2-110.8
                            . . SQ . .
                             .5
                                                     4.26
                                                             23.2
                                     . 3
                                              3.0
CK 87-25 - 18.25-18.75
                                                              8.44
                              .75
                                     .45
                                              1.3
                                                     1.46
            22.5-23.2
                                                                               1
CK 87-26 × 24.0-25.3
                                              2.3
                                                     4.24
                                                             27.0
                            1.3
                                    1.3
                                                                               111
CK 87-27 - 39.8-41.2
                                     .7
                                            0.08 ozT 2.32
                                                             14.95
                            1.4
                                                      .5
                                                              7.5
            47.5-48.25
                             .75
                                     .375
                                              nd
CK 87-28 31.7-32.87
                                     .83
                                              2.5
                                                     3.01
                                                             15.9
                            1.17
                                                              8.05
                                                      .94
                                     .28
                                              1.9
            34.5-34.9
                             . 4
CK 87-31 (3) 69.6-70.8
                            1.2
                                    1.2
                                           0.08 ozT 3.48
                                                             14.9
                                           0.08 ozT 2.70
                                                             14.19
                            4.5
                                    1.68
CK 87-32
            39.0-43.5
                             .81
                                     .81
                                                     2.86
                                                             18.47
CK 87-34 - 76.27-77.08
                                           1.06
                                                     2.37
                                                             19.3
CK 87-35- 40.96-41.12
                                     .16
                             .16
                                           5.2
                                           1.09
                                                     2.0
                                                             10.72
                            2.27
                                     ? .
CK 87-36 M 18.26-20.53
            20.53-23.18
                            2.65
                                     ?
                                           1.56
                                                     4.08
                                                             24.89
                                    1.47
                                                     2.17
                                                             15.91
CK 87-37 25.61-27.08
                                           1.9
                            1.47
                                             .9
                                                     3.72
                                                             29.2
CK 87-39 - 36.97-37.45
                             .48
                                     . 46
                                                     3.50
                                     .87
                                                             20.0
CK 87-44 59.0-60.0
                            1.0
                                             .1
                             .7
                                     .7
                                                              2.95
                                                      .18
CK 87-45- 54.5-55.2
                                            . 4
                             .75
                                     .57
                                           3.8
                                                     7.37
                                                             10.3
CK 87-46 - 59.0-59.75
                                                     2.74
                                                             15.08
                                            .5
CK 87-47- 84.2-86.5
                            2.5
                                   1.25
                                           1.2
            88.2-88.6
                             . 4
                                     .21
                                                     1.08
                                                             11.5
 CK 87-48 46.4-47.6
                                      .84
                                             .7
                             1.2
                                                      1.03
                                                               4.2
                              .9
           -47.6-48.5
                                            2.0
                                      .64
                                                      3.86
                                                             19.3
 CK 87-49 -73.5-73.8
                              .3
                                      .19
                                            1.8
                                                      3.32
                                                             17.5
             75.6-75.9
                              .3
                                      .19
                                            1.3
                                                             28.0
                                                      3.04
CK 87-51 57.4-60.1
                            2.7
                                    1.14
                                            2.51
                                                      3.11
                                                             15.33
CK 87-52 (M) 35.5-37.7
                             2.2
                                    2.1
                                            2.68
                                                  - 3.16
                                                             18.18
            40.7-41.3
                                     .54
                              . 6
                                            1.6
                                                      1.45
                                                              7.38
                             .9
CK 87-53 - 53.85-54.75
                                     .64
                                            2.97
                                                     3.76
                                                             20.54
CK 87-54 D 76.3-78.7
                            2.4
                                    1.38
                                            3.10
                                                     4.96
                                                             24.29
CK 87-56 -58.1-59.0
                              .9
                                     .52
                                            2.3
                                                     4.25
                                                             24.13
CK 87-58 3.1-64.7
                            1.60
                                    1.22
                                            2.32
                                                     2.79
                                                             13.52
CK 87-59 1 31.25-33.5
                            2.25
                                    2.17
                                            3.19
                                                     3.33
                                                             19.22
CK 87-60 56.15-58.9
                            2.75
                                    2.58
                                           1.89
                                                     1.68
                                                             10.16
CK 87-62 - 50.2-50.45
                              . 25
                                     .24
                                                              5.34
                                                      .71
Unweighted Average
                                    1.16
                                                     2.36
                                                             14.50
```

A.T.m: Apparent Thickness metres

1988).

Silver Determination sample composite, fire assay 8.00 grams/tonne (LaFreniere,

T.T.m: True Thickness metres, this figure may not be reliably calculated to-

