

LUCERO RESOURCE CORP.

Box 12122 Harbour Centre,
#2380 - 555 West Hastings Street,
Vancouver, British Columbia V6B 4N6
Telephone: (604) 682-7041 Fax: (604) 683-4395

830724

093E/13

NEW MOON PROPERTY

Omineca Mining Division, B.C.

Introduction

The New Moon Property has seen extensive exploration in the past, primarily for polymetallic epithermal mineralization. While there is an excellent chance of developing further mineralization of this type, the main potential is for a large tonnage massive sulphide deposit of skarn or volcanogenic origin.

Location and Access

The New Moon Property is located in west-central British Columbia approximately 80 km southwest of the town of Smithers. It lies on the eastern side of the Coast Mountains and topography is steep and rugged. Elevations vary from 775 metres (2500 feet) to 2200 metres (7200 feet) and several of the upland areas are covered by glaciers. The property lies on the west side of Morice Lake. Present access is via a 74 km all-weather road from Houston to the east side of Morice Lake. From here it is 18 km by helicopter to the base camp at the center of the property.

Property

The property consists of 25 contiguous claims totalling 421 units and covers a roughly rectangular area about of 10 km (east-west) by roughly 12 km (north-south). (See Figure 468-2) Most of the ground is in good standing until September-October, 1990. Three peripheral claims are due to expire September 21, 1989 and four recently restaked claims are in good standing until the anniversary of their record date, May 29, 1990.

History

The property was first worked by Phelps Dodge Corporation in 1967-68. This company trenched and mapped the main vein (Pb-Ag-Au) in the Plateau area. In 1969, Silver Standard located massive sulphide boulders south of the area trenched by Phelps Dodge, but no further work was done. In 1970, Aggressive Mining Co. restaked the area trenched by Phelps Dodge and carried out mapping and limited geophysics in 1971. In 1972, Aggressive Mining Co. carried out further geophysical surveys, trenching and 312 metres of drilling in five holes. They reportedly declined to do further work because the silver values were too low.

LUCERO RESOURCE CORP.

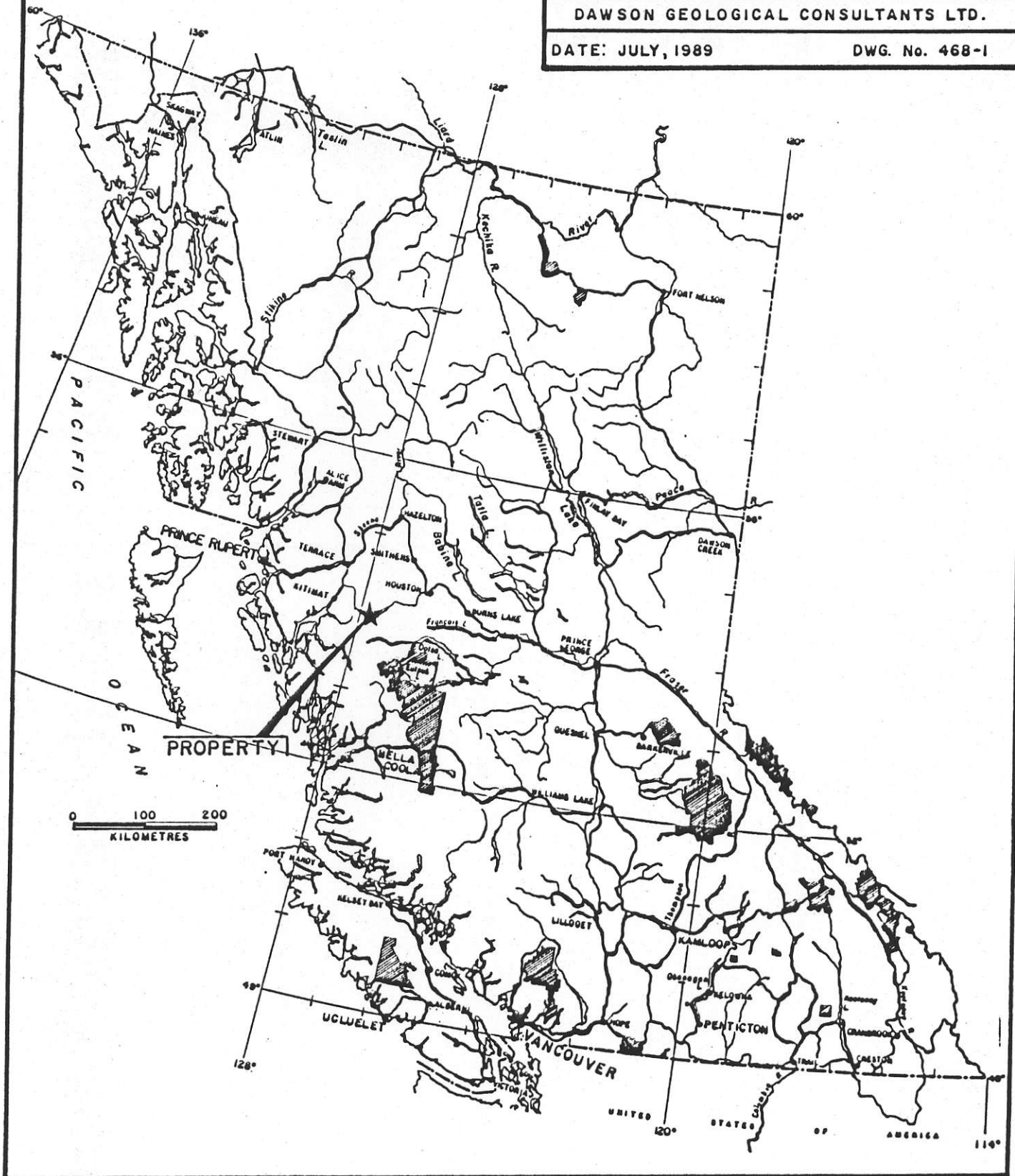
LOCATION MAP

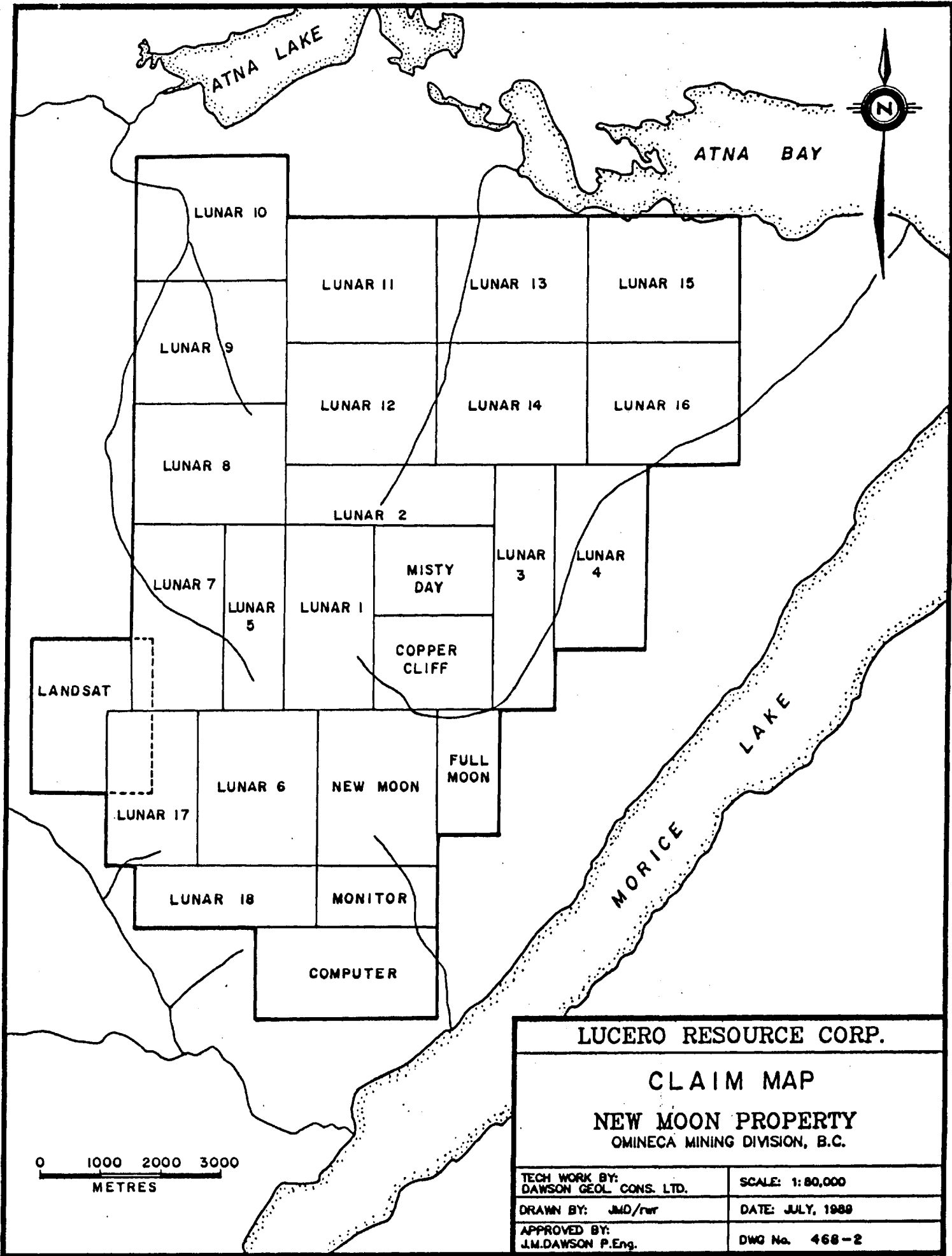
NEW MOON PROPERTY
OMINECA MINING DIVISION B.C.

DAWSON GEOLOGICAL CONSULTANTS LTD.

DATE: JULY, 1989

DWG. No. 468-1





LUCERO RESOURCE CORP.	
CLAIM MAP	
NEW MOON PROPERTY	
OMINECA MINING DIVISION, B.C.	
TECH WORK BY: DAWSON GEOL. CONS. LTD.	SCALE: 1:80,000
DRAWN BY: JMD/rwr	DATE: JULY, 1989
APPROVED BY: J.M.DAWSON P.Eng.	DWG No. 468-2

Prepared By RMR MINERAL GRAPHICS LTD.

In 1977, the area was restaked and optioned to Silver Standard Mines in 1978. This company subsequently re-optioned the property to a joint venture consisting of Norcen Energy and Aquitaine Petroleum. This group carried out prospecting, geological mapping and limited geophysics and identified a favourable volcanogenic environment. They subsequently dropped the ground because they considered the logistics to be too difficult.

In 1981, Great Western Petroleum Ltd. optioned the property and carried out a limited airborne geophysical survey. In 1982, Great Western optioned the property to St. Joe Minerals who staked a large block of additional claims and carried out a Questor airborne geophysical survey. In 1982, St. Joe completed geological, geochemical and geophysical surveys in the area of massive sulphide potential as well as the "plateau" polymetallic vein zone. In 1984, St. Joe completed 936 metres of diamond drilling in four holes in the area with massive sulphide potential, but did not encounter any significant mineralization.

In 1985, St. Joe dropped their option and the property was immediately re-optioned by Newmont Mines Limited. In 1985, Newmont remapped the entire property, resampled the existing trenches and discovered a number of new showings north and west of the original polymetallic vein showings. In 1986, Newmont continued working on the polymetallic vein systems. Detailed mapping and extensive trenching was completed as well as 1529 metres of diamond drilling in 17 holes. In 1987, work was continued in the same areas and consisted of geological mapping, rock chip sampling, trenching and 1266 metres of diamond drilling in 19 holes.

In 1988, a planned work programme to be carried out by Newmont and funded by a partner was not completed. In the spring of 1989, Newmont's Canadian operations were terminated and all its assets sold off. Lucero Resource Corp. acquired the property from Newmont and assumed its obligations to the owner, Mr. C. Kowall.

Geology

The property is underlain primarily by rocks of the mid Jurassic Hazelton Group in close proximity to the Coast Plutonic Complex. The Hazelton rocks are considered to be part of the Telkwa Formation and consist mainly of intermediate to felsic volcanics and volcanoclastics. These volcanics are cut by various small intrusive bodies and at least two generations of dikes. The volcanic units are flat to moderately dipping with no major folding noted.

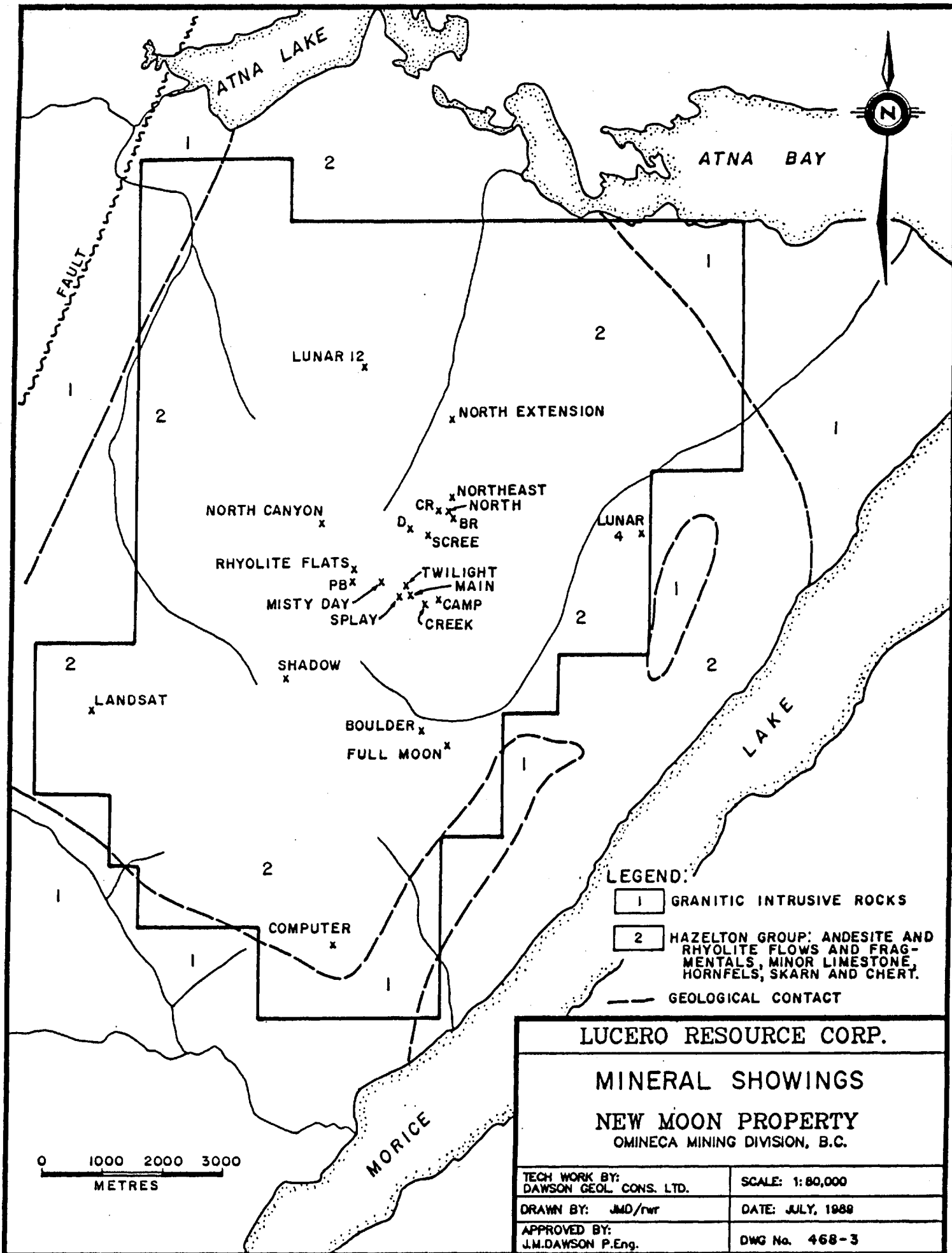
Mineralization

Mineralization on the property is widespread and can be broadly grouped into two main categories:

- 1) Polymetallic, relatively high level, vein type mineralization, primarily Pb-Zn-Ag, but with lesser and varying amounts of Au and Cu.
- 2) Stratiform volcanogenic or skarn type sulphide mineralization primarily Cu, but with lesser and at times significant amounts of silver and zinc.

The following is a summary of the various known mineralized zones:

- 1) Main Zone It consists of a series of quartz-carbonate breccia veins in andesite and rhyolite flows and tuffs. Mineralization consists of banded veins, in part brecciated that contain disseminated to semimassive galena and sphalerite with lesser amounts of pyrite and chalcopryrite. The zone has been traced for about 250 metres along strike (NNE) on surface and is open at least to the south and at depth. The zone varies from 1.0 to 10.3 metres wide, dips moderately to the east and pinches and swells along strike and down dip. Sampling and drilling has shown the zone to average 1.90% Pb, 5.81% Zn, 0.45 oz/T Ag and 0.029 oz/T Au.
- 2) Twilight Zone This zone is located about 100 metres west of the Main Zone and has been trenched for about 30 metres along strike. It varies from 1 to 3 metres wide, parallels the orientation (N-S) of the Main Zone and consists of similar mineralization. A shallow drill hole cut a 10 metre wide shear zone which contained a 1.5 metre quartz vein assaying 0.46% Cu, 2.69% Pb, 7.77% Zn, 1.1 oz/T Ag and 0.007 oz/T Au.
- 3) Splay Zone This is an offshoot of the Main Zone. It is a north striking zone traced by float and outcrop over a 125 metre length with widths varying between 1 and 3 metres. Mineralization consists of disseminated and semi-massive galena and sphalerite with lesser chalcopryrite and pyrite in a fault controlled quartz carbonate vein system. The best trench ran 4.26% Pb, 3.23% Zn, 10.55 oz/T Ag and 0.028 oz/T Au across 3.2 metres. The best drill intersection returned 1.7% Pb, 2.6% Zn, 3.3 oz/T Ag and 0.005 oz/T Au over 1.3 metres.
- 4) Rhyolite Flats Zone This zone is located about 1000 metres west of the Main Zone. The zone strikes northeast and has been outlined over a distance of 250 metres. It varies from 1 to 4 metres wide. Mineralization is similar to the other



vein zones. Values are generally low, however at the southwest end of the zone a 1.0 metre intersection ran 2.29% Pb, 4.99% Zn, 0.26 oz/T Ag and 0.02 oz/T Au.

- 5) "D" Zone This zone is located about 1000 metres north of the Main Zone and occurs along the contact between andesite dikes and rhyolite flows. Along the contact several narrow quartz carbonate veins are exposed for up to 10 metres. Within the veins there are variable amounts of galena and sphalerite with lesser chalcopyrite and pyrite. The best sample interval is 2 metres averaging 0.13% Cu, 1.93% Pb, 3.79% Zn, 0.44 oz/T Ag and 0.023 oz/T Au.
- 6) North Zone This zone is located about 1500 metres north-northeast of the Main Zone. It has been traced for 780 metres (N-S) and is still open in both directions. It occurs in a sub-vertical, east dipping fault zone and varies from 1.0 to 18 metres wide. At surface the veins range in thickness from less than 1.0 to 3 metres wide and consists of colloform aggregates of quartz and carbonate with pyrite, galena, sphalerite and chalcopyrite in highly variable amounts as disseminations and semi-massive pods. Adjacent to the zone the rock is generally highly silicified. The best trench averaged 0.13% Cu, 1.22% Pb, 2.57% Zn, 39.9 oz/T Ag and 0.234 oz/T Au over 4 metres followed by an 11 metre barren interval and then 7 metres grading .01% Cu, 0.13% Pb, 0.021% Zn, 4.19 oz/T Ag and 0.017 oz/T Au. The best drill intersection was 5.4 metres averaging 0.04% Cu, 0.63% Pb, 1.02% Zn, 8.7 oz/T Ag and 0.098 oz/T Au.
- 7) Northeast Zone This zone is located about 250 metres north of the North Zone. It has been outlined for about 280 metres along strike (NNE) varies from 2 to 20 metres wide and is steeply dipping to the east. Mineralogy is similar to that in the north zone. The best surface sample returned 15.6 oz/T Ag and 0.036 oz/T Au over 2.0 metres. The best drill intersection assayed 0.20% Pb, 0.39% Zn, 13.9 oz/T Ag, 0.024 oz/T Au over 2.0 metres.
- 8) C.R. Zone This zone is located about 150 metres west of the North Zone. Trenching and mapping have outlined a zone that is at least 280 metres long (N-S) by 10 to 25 metres wide in which sheeted quartz veins and attendant stockworks occur. Mineralogy is similar to the North and Northeast Zones. The best samples ran 0.21% Cu, 4.04% Pb, 3.52% Zn, 4.22 oz/T Ag and 0.015 oz/T Au over 3.5 metres and 0.35% Cu, 1.47% Pb, 1.29% Zn, 1.50 oz/T Ag and 0.004 oz/T Au over 5.0 metres.
- 9) B.R. Zone This zone is located about 100 metres southeast of the North Zone. It consists of a single 1 to 3 metre wide carbonate-quartz zone with minor attendant sheeted veins and

has been traced intermittently along strike for about 500 metres. The vein is partly colloform and vuggy and contains minor disseminations of pyrite, galena and sphalerite. The best sampled width averaged 8.87 oz/T Ag and 0.031 oz/T Au over 2.0 metres.

- 10) Scree Zone This zone is located about 500 metres southeast of the North Zone. It encompasses a 250 by 150 metre area in which extensive steeply dipping, sheeted and stockwork quartz veins occur. Pyrite, chalcopyrite, galena and sphalerite generally occur as trace disseminations. The best samples ran 5.67 oz/T Ag and 0.081 oz/T Au over 4.0 metres and 2.45 oz/T Ag and 0.376 oz/T Au over 2.0 metres.
- 11) Misty Day Zone This zone is located about 600 metres northwest of the Main Zone. It is a northeasterly trending, fault-controlled, quartz-carbonate vein and breccia system. It has been traced discontinuously over a length of 350 metres and varies from 0.5 to 5.0 metres in width. The zone dips steeply west and appears to be offset along strike by faulting. Again, mineralization is similar with up to 5% irregularly disseminated galena and sphalerite with lesser pyrite and chalcopyrite. The zone has been tested by ten shallow drill holes. The best intersections are respectively 0.66% Pb, 2.15% Zn, 38.6 oz/T Ag and 0.075 oz/T Au over 6.2 metres and 0.17% Pb, 0.26% Zn, 20.3 oz/T Ag and 0.107 oz/T Au over 2.1 metres.
- 12) North Zone Extension The zone is located about 800 metres north of the North Zone and appears to be located along the same fault-fracture system. It is composed of narrow (1 - 3 metres) variably dipping, discontinuous, quartz-carbonate veins that have been traced over a 500 metre length. The veins are in part sheeted, colloform and vuggy. Mineralization consists of disseminated pyrite and galena. Trench values are generally low with the best assays being 1.9 oz/T Ag and 0.008 oz/T Au over 2.0 metres.
- 13) Computer Zone This zone is located approximately 6 km south of the Main Zone. The showing consists of several erratically distributed, northwest striking, steeply dipping quartz veins in an area of complex geology. The quartz veins are up to 5 metres wide, weakly colloform, discontinuous and barren of sulphides. Chip samples show the veins to be weakly anomalous in gold (e.g. 80 PPB Au).
- 14) Creek Zone This zone is located about 400 metres southeast of the Main Zone. It consists of minor quartz vein-stockwork and attendant silicification located in boulders over a 10 by 20 metre area. The narrow veinlets contain minor galena and

sphalerite along with a trace of chalcopyrite. Grab samples returned very low values.

- 15) Pb Zone This zone is located about 150 metres south of the Rhyolite Flats Showings. It consists of erratic quartz veins up to 10 cm wide in which minor galena and sphalerite along with traces of chalcopyrite and pyrite occur. Samples returned only very low values.
- 16) Camp Zone This zone is located about 500 metres east of the Main Zone. It consists of narrow quartz veinlets found primarily in float over a 200 by 5 metre area. The zone strikes northeast and dips steeply southeast. Mineralization consists of minor galena, sphalerite and pyrite. Trench samples returned very low values, the best being 0.83% Pb, 0.21% Zn, 0.25 oz/T Ag and 0.004 oz/T Au over 1.0 metres.
- 17) Lunar 4 Showing This zone is located about 4 km east of the Main Zone. The north-trending, west dipping zone encompasses a 700 by 50 metre area centered about the fault contact between rhyolite and andesite tuffs. The fault contact has weak, attendant quartz veining throughout with the veins generally being 1 to 5 cm in thickness. Traces of pyrite are disseminated throughout the host, while the quartz veins have both minor pyrite and chalcopyrite. A series of chip samples failed to detect any significant mineralization.
- 18) Lunar 12 Zone This zone is located about 4 km north-northwest of the Main Zone. It consists of a number of quartz-carbonate veins located in andesite tuff. The veins are up to 1.0 metre wide, discontinuous and variably mineralized with disseminated pyrite, chalcopyrite, malachite and azurite. The best grab sample returned 1.74% Cu, 0.01% Pb, 0.01% Zn, 1.66 oz/T Ag and 0.002 oz/T An.
- 19) North Canyon Malachite Showing This zone is located about 1000 metres northwest of the Rhyolite Flats Zone. It has been described as a discontinuous though apparently stratiform malachite showing located on the northwest wall of the North Canyon. It has not been investigated due to the very steep nature of the cliff walls. The showing is estimated to be at least 200 metres long and malachite is visible from the air over a width of approximately 1 to 2 metres.
- 20) Full Moon Malachite Showing This zone is located about 2.5 km south of the Main Zone and roughly 500 metres southeast of the south end of the Boulder Zone. It consists of weak malachite and fracture controlled chalcopyrite mineralization but appears confined to a particular stratigraphic horizon.

- 21) Landsat Showing This zone is located about 5.5 km southwest of the Main Zone. It consists of "discontinuous sulphide-bearing pods". The pods, hosted by rhyolite and andesite flows and tuffs are up to 4.0 metres wide by 7.0 metres long. Mineralization is variable, primarily pyrite and chalcopyrite. The best width sampled in trenching averaged 2.47% Cu, 0.55% Pb, 0.02% Zn, 9.42 oz/T Ag and 0.009 oz/T Au over 4.0 metres.
- 22) Shadow Showing This zone is located about 2.5 km southwest of the Main Zone. It is a bedded sulphide and oxide showing located on the north side of Shadow Valley. The showing has an exposed strike length of approximately 300 metres. Several distinct beds of rusty coloured sulphide (dominantly pyrite with minor chalcopyrite) and dark coloured oxide (mostly magnetite) average between 0.5 and 1.5 metres in thickness. The showing has been cut in three places by Topley granodiorite and locally resembles skarn. Grab samples of the mineralization returned values of up to 0.5 to 0.7% Cu and 1.07 to 1.48 oz/T Ag. The highest gold values were 0.001 oz/T.
- 23) Boulder Showing This zone is located about 2.2 km south of the Main Zone. It consists of a large accumulation of semimassive to massive sulphide boulders which seem to have their source beneath the New Moon Glacier. Previous workers have divided the mineralized boulders into three types: (a) Galena and sphalerite occurring in silicified, carbonated and chloritized andesitic rock. The bulk of these boulders are found about 500 to 600 metres from the upper end of the moraine. Float of this type accounts for 1 - 2% of all the material present in the local area; (b) heavy specular hematite, chalcopyrite, magnetite \pm minor sphalerite in jasperoidal chert; (c) chalcopyrite and pyrite in a chlorite and epidote altered grey, cherty host rock.

The upper end of the moraine is well endowed with copper-bearing boulders. Mineralized boulders, subangular to subrounded and up to 1 metre in diameter are estimated to make up about 3% of the moraine material from the edge of the glacier down the moraine to about 100 metres. From roughly 100 metres to 200 metres the mineralized boulders make up about 1% of the total moraine. Below 200 metres, the boulders are infrequent, occurring roughly 10 metres apart. Assays of the boulders have returned values up to 12% Cu with lesser zinc and silver values. Gold is uniformly low.

Studies by glaciologists have determined that the source of the mineralization is definitely beneath the glacier. The glacier is roughly 1,000 metres square and is rimmed by andesitic volcanics with minor chert and limy chert horizons.

Minor fracture controlled copper mineralization is present in a number of places. A large outcrop area of coarse felsic pyroclastics is located about 600 metres north of the main area of mineralized float boulders.

Four diamond drill holes (from two set-ups) were bored by St. Joe Minerals Inc. in 1984. However, none of these holes tested a coincident magnetic and VLF EM feature occurring near the center of the glacier.

Exploration Potential

The New Moon Property covers a very large mineralized system. Two differing types of mineralization appear to be roughly grouped and may represent a crude zoning, further complicated by later intrusion and remobilization. A number of the copper rich showings have characteristics which suggest an original volcanogenic setting. Given the size of the system, there is potential for a large tonnage, polymetallic massive sulphide deposit with precious metal credits. The target envisioned is 20 to 30 million tons of massive sulphide (e.g. the size of the Westmin HW deposit or the Craigmont deposit).