

BRETT [MI-082LSW110]

On July 5th I visited the Brett epithermal gold deposit with Werner Gruenwald (Huntington Resources Inc.). After a lengthy and bitter legal dispute over the past few years with Liquid Gold Res., it appears as if Huntington is on its way to getting the project back on track. During late 1995 and early 1996, approx. 1200 tons of "mineralized" rock, with an expected average grade of 0.168 opt Au were mined from underground mining below the Bonanza zone on the 1205m level. This material remains stockpiled outside the portal (i.e. too low grade, at present). Reserve calculations (1992) estimated the 150m section of the Bonanza zone contained approx. 13,200 tons grading 1.141 opt Au. The adit is approx. 240 metres in length; it starts in the footwall tuffs and crosses westerly through the main shear zone and into the hangingwall feldspar porphyry dike. Ground conditions in the shear zone on this level are relatively poor (clay/gouge) (see photos). The end of the adit (approx. below RC 88-29) is approx. 75 m below the surface. The best gold intersections on the Bonanza zone appear to occur in the interval from 1230m to 1240m. A 15m raise was constructed near the end of the adit. No further underground work on this level is planned this year, unless additional financing can be arranged (eg. through sale of shipments of high grade from R.W. vein to Trail - see below) for further exploration in the Bonanza zone (approx. 50 m strike length of higher grade material).

In 1995, Huntington began detailed surface sampling and mining in the high-grade R.W. vein. Close-spaced sampling yielded assay values of 34.35 g/t Au over a strike length of 51.3 m, and 42.5 g/t Au over 29m. Drilling had previously tested the vein over a vertical depth of at least 25 metres. Approx. 250 tons of ore grading 0.997 opt Au and 1.85 opt Ag were stockpiled by the end of December, 1995. This material was trucked on July 9, 1996 to Cominco's smelter in Trail for processing and sale. Concurrent with this shipment surface mining continued on the R.W. vein (see photos) and, based upon sampling and previous drill results, the next 300 tons is estimated by the company to assay approx. 1.25 opt Au. The second shipment is scheduled to be completed by the end of July. In addition to confirming the recovery rates from the ore, these shipments will provide the company with important information concerning the logistics of mining, shipping and processing high-grade mineralization.

[Reference: Schroeter Monthly Reports, July '94 and '96

The next target will be Trench 21 on section 770-N along the Main Shear zone, directly above the Bonanza zone. This area will be exposed 75m along strike and 10m to 15m in width. Additional fill-in drilling will be required to further delineate the size and grade of the R.W. zone at depth and to identify additional ore blocks in the Main Shear zone. [TGS Comment: locally (i.e. stratabound?) footwall andesites contain low-grade gold which may suggest the possibility of a bulk-mineable, heap leach target in the future. There is still good exploration potential on the entire property].