

**CLONE (RED, C-2) - [MI 103P 249]**

On August 18, 1996 I visited the Clone gold prospect with David Lefebure and Paul Wojdak. This "1995 highlight" discovery is located approx. 20 km SE of Stewart, at the southern end of the huge Cambria Icefield. We had the 'pleasure' of patiently waiting in Stewart for a full day (17th) due to bad weather. Late in 1995, Teuton/Minvita completed 1670.16m of drilling in 13 holes all from a single set up. Ed Kruchkowski, Rob McLeod and Al Raven very kindly toured us around the property, as well as showed us maps and core. To date in 1996, Teuton Resources Corp. and Minvita Enterprises Ltd. have spent approx. \$1 million of their proposed \$1.4 million Phase One exploration program consisting of approx. 16,000 feet of diamond drilling in over 35 holes, airborne and ground mag surveys and trenching (blasting). Ed hopes to be able to do an additional 16,000 ft. of drilling in Phase Two (once approved and financed). Thus, the total estimate of expenditures for 1996 might be around \$2 million. Two types of mineralization have been identified, along a strike distance of 1.25 km associated with major northwesterly-trending (320°) shear zones (both ductile and brittle styles of deformation; i) hematite-cemented, chlorite ± silica -rich breccia; and ii) semi to massive sulphide stringer pods/zones. In addition, numerous splays are horsetailed off fault structures. To date, drilling has tested about a 400m strike length of this system; the deepest mineralization section being to 200m. The rest of the systems are being sampled by hand-blasted trenches and (planned) drilling. Although some good, high-grade intersections are being reported, it appears the companies are having difficulty correlating between holes (i.e. mineralization is 'dilatational' in nature and may require detailed (eg. 25 m centre) drilling to define individual ore shoots). Nonetheless, it appears that the Clone property is indeed a significant gold discovery, with very good potential to develop into a major gold mine. The hematite (+chlorite + silica ± sericite) -cemented zones are steeply dipping and contain specularite, chalcopyrite, magnetite and native gold (high purity >95%, as determined in the Cominco Laboratory. The sulphide-dominated mineralization contains auriferous pyrite ± arsenopyrite, and locally cobalt-bearing minerals (s) (erythrite bloom). Hematitization appears to be pre-introduction of gold; the specularite-bearing veinlets formed later and contain gold. These zones (H1, H2, and H3; S1 and S2) are en echelon over a major NW trending 'shear' zone for approx. 60m in width. Host rocks include a mega-breccia (debris flow?) and andesitic pyroclastic rocks to the east and argillaceous sediments to the west. Locally, a fine-grained dacite porphyry dike intrudes both the host rocks and the mineralized zones (see photo). In H structures, gold mineralization appears to be directly related to the presence of hematite and/or specularite in the hematite-cemented structures. Individual veins range up to 7 m in width. Chalcopyrite is commonly associated with the gold-bearing zones. In the sulphide-bearing zones, veins range up to 6 m in width. Cobalt assays up to 0.71% were reported from trenches. The company is looking at a possible 'elevation' control to dilatational-controlled mineralization, with a corresponding increase in sulphides. Chlorite is present throughout. This 'elevation' control is suspected in 96-18 where a 30 m intersection assaying 0.36 opt Au was obtained. The company routinely stains the rocks for Kspar alteration; it appears that it is an initial (early), very pervasive phase in the altered andesitic rocks (and confirmed by thin section studies).

[References: 1: Schroeter Monthly Report, September 1995]. 2. Assessment Report No. 24376.