

CORDILLERAN ROUNDUP - SNAP SHOT REVIEWS  
February 4, 1988

Property/Project

Name : SAMATOSUM DEPOSIT  
 NTS : 82M 4/W  
 Claims : REA & HN  
 Acreage:

Authors: IAN PIRIE MINNOVA Inc.  
 Commodities  
 Ag, Au, Cu, Zn, Pb  
 Names/Numbers

Agreements

JOINT VENTURE BETWEEN MINNOVA Inc (70%) and REA GOLD Corp (30%)

History      Optioned by Minnova from Rea Gold Corp in November 1983.  
 Agreement renegotiated November 1985

Exploration (Techniques)	Amount	Type	Cost
Period 1983-1987		Mapping, geophysics, geochemistry, diamond	
Development	drilling (220 holes)	Amount	\$3,000,000
Period		Type	Cost
1988- 1989			
Production	Tonnage(s)	Method	Grade
Period			

Geology

**Regional**      Paleozoic Eagle Bay Formation volcanics and sediments

**Local**            Deposit sits at mafic volcanic - sediment contact in overturned sequence. Deposits strikes NW - SE and dips 30° NE. Deposit consists of disseminated to massive tetrahedrite, sphalerite, galena, pyrite. Alteration includes sericite, carbonate and chlorite in an apparently stratiform zone extending up to 30m into the footwall basalts.

## Current Exploration

Mapping, geochemistry, and diamond drilling will continue in 1988 on other parts of the property.

## Reserves

Geological, possible, probable and/or proven	<u>600,000 TONNES proven + prob.</u>
Number of zones	<u>1</u>
Number of sample points	<u>90</u>
Average grade	<u>4m</u>
Average thickness $\times \rightarrow$	<u>1100g/T Ag, 1.8g/T Au, 1.2%Cu, 3.5%Zn, 1.7%Pb</u>
Cut-off grade	<u>250g/T Ag</u>

## Costs

Recent exploration costs, i.e. this period	<u>\$ 3,000,000</u>
Projected exploration costs of program to development	<u>\$3,000,000</u>
Projected development costs given positive economics	<u>\$ 20,000,000</u>
Projected operating costs given positive economics	<u>\$</u>