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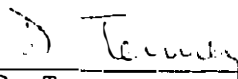
PRELIMINARY PROPOSAL FOR MIDDLE CHIEF PIT SURFACEDIAMOND DRILLING

All Noranda, New Imperial and Whitehorse Copper drill holes, have been plotted on a set of 1" = 40' sections at 50 foot intervals along strike. Much of the early drill core was not assayed for gold and in some cases, visible copper was not assayed. The Whitehorse Copper drill core from underground was all assayed for copper and gold. Silver grades were obtained from individual core samples, or from diamond drill core composite samples. Information presently available, is sufficient to indicate that a marginally profitable open pit may be developed at Middle Chief. Further drilling is needed to confirm these indications. A two stage programme is envisioned in the 1981 budget. The project will be reevaluated after stage I to determine whether or not we are warranted in continuing with stage II. Stage I drill holes are planned as follows:

Section

|              |            |       |       |        |               |     |
|--------------|------------|-------|-------|--------|---------------|-----|
| 101 + 00 N   | 47 + 77 E  | 2670  | Elev. | -63° W | 100'          | (1) |
|              | 48 + 34 E  | 2670  | Elev. | -62° W | 145'          | (2) |
| 102 + 00 N   | 47 + 76 E  | 2664  | Elev. | -61° W | 220'          |     |
| 102 + 50 N   | 46 + 83 E  | 2657  | Elev. | -38° E | 160'          |     |
| 104 + 00 N   | 46 + 85 E  | 2680  | Elev. | -45° W | 207'          | (2) |
|              | 47 + 11 E  | 2677  | Elev. | -61° W | 240'          | (1) |
|              | 47 + 34 E  | 2674  | Elev. | -73° W | 220'          | (3) |
| 105 + 00 N   | 46 + 56 E  | 2667  | Elev. | -45° W | 145'          | (2) |
|              | 46 + 79 E  | 2664  | Elev. | -75° W | 170'          | (1) |
|              | 47 + 36 E  | 2669  | Elev. | -76° W | 205'          | (3) |
| 105 + 50 N   | 46 + 77 E  | 2671  | Elev. | -64° W | 135'          | (?) |
| 106 + 00 N   | 46 + 93 E  | 2648  | Elev. | -40° W | 190'          |     |
| 107 + 00 N   | 47 + 26 E  | 2652  | Elev. | -45° W | 180'          |     |
| 108 + 00 N   | 47 + 31 E  | 26+66 | Elev. | -54° W | 140'          |     |
| 109 + 00 N   |            |       |       |        |               | (?) |
| <u>TOTAL</u> | (14 holes) |       |       |        | <u>2,457'</u> |     |

Order of drilling is shown in brackets. Question marks are against holes which may not be drilled.

  
D. Tenney  
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 Nov. 27th, 1980

December 24th, 1976.

Bob Fraser

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Little Chief Exploration

Attached is a sketch showing the southerly extension of the Little Chief ore body on 1750 level. Development on levels above 1750 generally stops on section 90N or 600' north of the present face on 1750 level. Up holes currently being drilled on 8450 section on 1750 level indicate that the ore extends upwards at least to the 2000 level, or within 700' of surface.

The area on surface on strike with this extension was excavated as a gravel pit to a depth of 20 - 30'. Ground Mag (MF-1) and IP (Siegal 9964, Zelectrode array  $a = 200'$  only) were done in this area prior to excavation. Mag (G816 proton mag) was done in the gravel pit area recently. All results were negative.

Please comment on the advisability of trying other geophysical methods, or IP, using greater electrode spacing, to detect known mineralization at depth. If a technique is successful, the survey could be extended to cover the overburden covered area to the southeast.

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