

1986 PROGRAM PLANS

SUMMARY

An analysis of the 1985 surface exploration program suggests that epithermal Au and Ag mineralization is associated with:

1. The earlier of two Tertiary volcanic episodes, and
2. A structural regime in which the volcanics have been complexly down-faulted against basement metasedimentary rocks, forming an irregular graben.

The mineralization is present in two modes, a lower grade, pervasive, Au-rich type which might have open-pit potential were it not for its valley bottom location, and a more erratic, higher grade, Ag-rich type which may be related to the block faulting.

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A diamond drilling program is planned in which the targets are the presumed sources of clusters of higher grade float where these correlate with block faulting. Further surface trenching is possible but this approach has not proved particularly effective to date.

The tentatively planned program is for 5 relatively shallow drill holes at 4 sites, a total of approximately 1000m of drilling. A second phase of drilling, with greater penetration would depend on having located the sources, as well as the thickness and grades of those sources.