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REPORT ON DY DRILL PROGRAM  
TWO WEEKS ENDING NOVEMBER 9, 1990

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## PILOT HOLE

Packer tests in the Dy pilot hole have been complicated by the intense fault zone at 1963' to 2055'. The packer tests require all filter cake within the hole be flushed before testing. This is to ensure accurate results with no drill mud inhibiting the fluid flow during the packer tests. The flushing process had effectively removed the filter cake. The loss of filter cake caused wall stability in the hole to be reduced. Further flushing caused the hole to collapse on the NQ rods used to flush the hole. The intensity of the hole collapse required very high torque to rotate the drill string. The torque required was high enough to break the rods. The subsequent fishing attempts have proven successful and all steel has been recovered from the Pilot Hole. This latest fishing procedure was the third conducted in the Pilot Hole. All fishing procedures were directly or indirectly related to the intense fault encountered at the base of the hole. This is a good indication as to the instability of this structurally disturbed zone.

The first of the two proposed wedges in the Pilot Hole is scheduled to be set on Friday November 9. The wedging procedures will attempt to collect sufficient data to calculate a three point problem on the fault zone. The first wedge will be set at 1480' and should require an estimated 500' of drilling to intersect the fault. This estimated length is based on current interpreted trend on the fault. The orientation and location of the second wedge will be dependant on results of the first wedge.

## DECLINE DRILL PROGRAM

The first diamond drill hole (90DY-05) testing the trace of the decline has been completed, and was terminated at a cored length of 2158'. This hole was completed in less than 15 days. This hole has been laid out to test the bottom of the ramp for the proposed decline at an elevation of 476.5m above sea level. Sperry Sun of Nisku Alberta has completed a gyroscopic survey on 90DY-05 and have issued preliminary results. Based on an estimated collar location, arrived at by topefill and compass measurement, the gyro data indicates the hole passes the decline elevation one meter east and 23 meters south of the target point. This is considered exceptionally close.

Significant mineralization has been encountered in hole 90DY-05. The cored interval from 1691' to 1754' hosts the mineralization which has been visually estimated to contain 10% combined Pb+Zn. Hosted within this mineralized interval is a gouge zone (1706' to 1707'). This gouge zone is one of four aquifers which is contributing to the artesian flow in the hole.

Four zones of significant overpressured aquifers have been intersected in 90DY-05. Packer tests, to determine the potential water problems in the area along the trace of 90DY-05, have begun. Cold weather has offered considerable problems to the packer testing process. Should these problems not be resolved the prospect of foregoing packer tests during the winter months may be considered.

Rock intersected in diamond drill hole 90DY-05 offers no zones of extreme structural disruption. In general the hole consists of moderately to slightly broken rock (NQ core), with sporadic zones of strongly broken - locally gouged intervals. The base of the proposed Dy Decline is currently proposed at the 476.5m elevation. The base of the ore occurs approximately 13 vertical meters above the base of the ramp (vertical distance based on estimated collar location and elevation). The rock quality between the base of the ore and the base of the ramp is moderately, tending to strongly broken. Gouge in this interval is sporadic and rarely exceeds 2 to 3 cm in width. Gouge bands are generally parallel to subparallel S2. A detailed geotechnical log as well as photographs will contain considerable detail for this interval. Packer tests are also scheduled for this interval.

To date no core has been logged for 90DY-05. Delays in the periodic maintenance of the generator and now a delay delivering the generator back to the Grum core shack has inhibited the logging process. The generator is scheduled to be delivered by Caron Diamond Drilling representatives this Sunday. I remain optimistic that it will be delivered on this date. Logging, photographing,

and sampling of the mineralized interval in 90DY-05 is considered of high priority. Colin Benner has requested that the samples be analyzed as a priority rush order. The geochemical data is required for a presentation on November 22, 1990. Should NAL not be able to ensure quick analysis with the standard charges, the priority rush method will be requested for lead and zinc only. A minimum of a 50% surcharge for the rush service should be expected.

Preliminary coordinates and estimated hole lengths for the Dy Infill Drill Program have been received. These locations with letter codes designated to each proposed drill hole should be checked with the master copy. All discrepancies between my records and the master should be made known as soon as possible. The data I have received follows as Table 1. It is also my understanding that the holes proposed to test the trace of the decline have been issued letter codes other than the set I have been using. I will require a list of the new letter codes and well as their coordinates, estimated lengths, and any other relevant data as soon as possible. This will greatly reduce the potential for confusion in the future.