

019670

MEMORANDUM

To: Kurt Forgaard

Date: 8 April, 1988

From: Gregg Jilson

Re: Dy Deposit

There are two high grade zones that make up the DY reserves.

The northeast zone, the B2, dips southwest and has a horizontal plunge. It is at the 400 to 500 metre elevation compared to Blind Creek at 760 m or the topographic surface at 1000 to 1200 m elevation.

The second zone, A2, also dips southwest but plunges toward the south. It extends from 600 to 200 m elevation.

Reserves for the two zones are:

Zone	Tonnes +9% ore	Lead (%)	Zinc (%)	Silver (g/t)	Gold (g/t)
A2	13,612,000	5.87	6.14	85.8	1.06
B2	6,488,000	4.91	8.14	82.6	0.76
TOTAL	20,100,000	5.56	6.79	84.77	0.96

The A2 zone has a higher proportion of baritic ore types thus the higher grade. The best grades are in the deeper part of the A2 zone but based on 4 holes it may be possible to put together 1 to 2 million tonnes of high grade baritic ore near the junction of the two zones at 400 to 500 m (1312 to 1640 feet) elevation. Because of the limited data this is very uncertain however.

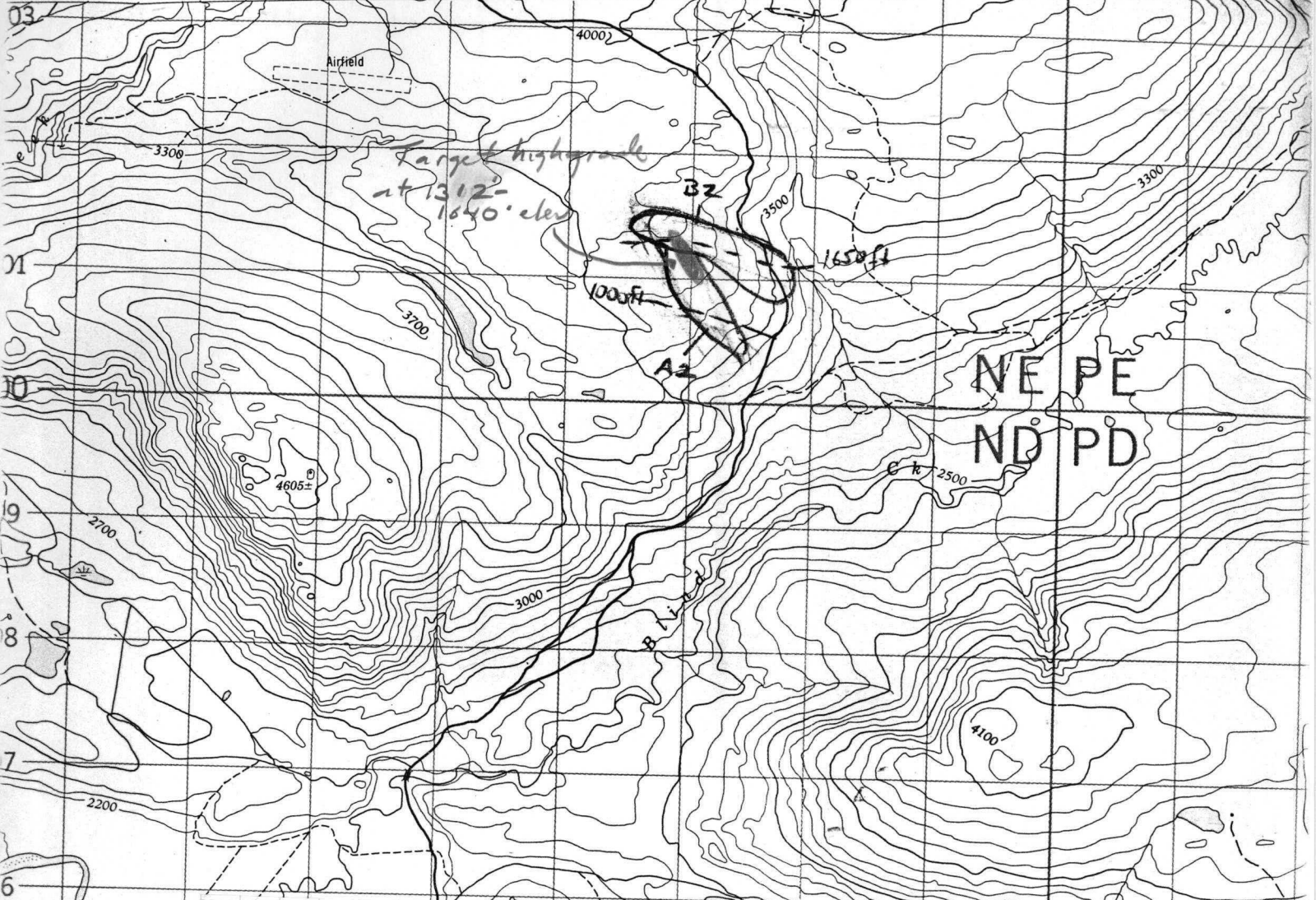
Starting from there workings could be extended out the length of each zone. The access decline could be used for setups for further definition drilling. This target high grade zone would be about 300 m (1000 feet) lower than Blind Creek which would require 2.5 to 3 km. of decline. The accompanying 1:50,000 map shows that this geometry is feasible.



DA

EDITION 1

92 93 94 95 10' 96 97 98 99 05' 600 01



Location of DY A2 and B2 zones with respect to Blind Ck. Dashed lines are approximate structural contours in feet. Scale 1:50,000 (squares are 1 km across)

