

02-74771

PROSPECTING GEOPHYSICS LTD.

GEOPHYSICAL & GEOLOGICAL SURVEYS

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May 31, 1984

The Directors,
Silver Sceptre Resources Ltd.
#1500 - 675 West Hastings St.
Vancouver, B.C.
V6B 1N2

Re: Summary Report on Drilling Program
Tuuri Township, Ontario

Dear Sirs:-

A diamond drilling program consisting of 11 drillholes, totalling 4041 linear feet was recently completed on your gold prospect in Tuuri Township, Ontario.

The program conducted between April 1, 1984 and May 7, 1984 was designed to test the most favourable VLF-EM conductors on the 1160-acre (470 hectares) claim block.

A contract for 4,000 feet of BQ diamond drilling was awarded to D.W. Coates Enterprises Ltd. of Vancouver, B.C., the lowest of four tenders received.

Two drillholes, F-1 and F-2, located west of Little Steel Lake were drilled to investigate a strong EM conductor (Anomaly F) outlined for about 3500 feet in a general east-west direction.

Hole F-1, located at 6+35S; 84+00W was drilled at -50 degrees on a bearing of N20°W. Hole F-2, located at 5+85S; 82+00W was collared at -50 degrees northward. Both holes cored intermediate to basic volcanic before coring a graphite-sulphide zone at the volcanic-sedimentary contact. The conductor represented by the massive sulphides and graphite was cored for a length of 4.7 feet between 428 and 432.7 feet in hole F-1. In hole F-2, the zone was cored for a length of 7.1 feet between 424.4 and 431.5 feet with sections of up to 85 per cent pyrite in the graphitic shale.

Anomaly G was tested by drillhole F-3, located at 8+10S; 84+00W. The hole was drilled S20°E at

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an inclination of -50 degrees to investigate the moderate strong EM response outlined in a general east-west direction. Two narrow graphitic zones were cored within the volcanic rocks before entering a sequence of sedimentary beds at 231 feet. The hole remained in the sedimentary rocks to a final depth of 325 feet. The conductor was represented by a graphitic shale mineralized with up to three per cent pyrite over a length of 13.6 feet between 276.4 and 290 feet.

Hole F-4, located on the south shore of Little Steel Lake at 14+85S; 76+00W was drilled due north at a dip of -60 degrees. On penetrating 60 feet of overburden the hole was lost when casing broke on reaming into bedrock. The hole was recollared as F-4A and drilled due north at -60 degrees. Following the penetration of 52 feet of overburden, the hole cored a series of sedimentary beds, cut by dykes and/or sills of mafic and felsic composition, to a final depth of 348 feet.

A wide zone of faulting between 271 and 320.5 feet represent the EM conductor (Anomaly H) trending across the lake and the property in a S80°W direction.

Holes F-5, F-7 and F-8 were planned to test the S70°W trending EM response (Anomaly J) and to follow up the sulphide zone encountered in hole F-5.

Hole F-5, located at 19+30S; 76+85W was drilled S10°E at a dip of -50 degrees. The hole passed through a sedimentary section of 44.6 feet and entered a sequence of massive and tuffaceous volcanics, and remained in the volcanics to a completed depth of 308 feet. A wide zone containing bands of massive sulphides was cored for a length of 75.8 feet between 224.6 and 300.4 feet. Several sections containing mostly massive pyrite bands were encountered within the tuffaceous rocks.

Hole F-7, located at 18+10S; 74+50W was drilled to investigate the eastern extension of the sulphides encountered in hole F-5. The sedimentary section was cored to a depth of 60.5 feet before coring the massive and tuffaceous volcanics to a final depth of 450 feet.

The sulphide zone within the tuffaceous volcanics was cored between 243.7 and 297.1 feet for a length of 53.4 feet. In tracing the zone eastward the total sulphide content decreases, chiefly pyrite with an increase in pyrrhotite mineralization. Widely scattered specks of sphalerite occurred within the section.

A third hole F-8, positioned at 18+10S; 72+15W was drilled to investigate the sulphide zone which

indicated an increase in sphalerite mineralization to the east. The hole was collared due south at an inclination of -50 degrees cored the volcanic rocks to a final depth of 300 feet. The sulphide zone was cored for a length of 58.5 feet between 83.5 and 142 feet. Pyrrhotite bands were more common than pyrite with scattered trace in sphalerite mineralization.

Drillhole F-6, located at 28+30S; 99+70W was drilled due south at an inclination of 50 degrees to test the E.M. Conductor referred to as Anomaly H. The anomaly had been mapped for a length of 1200 feet in an east-west direction and lies along strike of Anomaly J. The hole started in a series of interbedded sediments and continued in the sediments to a depth of 183 feet. A west-trending diabase dyke was cored from 183 to 245.5 feet followed by intermediate volcanics. The massive volcanics were cored to a final depth of 358 feet. Within the lavas were sections of graphitic schists and iron formations. A 2.5-foot section of graphite schist was cored between 245.5 and 248 feet. The two bands of iron formation of nine and 13.5 feet were intersected between 298.5-307.5 and 331.5'-345 feet respectively.

Hole F-9, located at 7+00N; 80+25W was put down to test EM response (Anomaly F) mapped north of the Trans-Canada Highway. The hole drilled N30°W at a dip of -50 degrees cored intermediate volcanics situated between two sedimentary bands. At the upper-contact massive sulphides within a graphitic shale were intersected over a length of 15.5 feet between 17.0 and 32.5 feet. On passing through the massive and schistose volcanics at 297.5 feet, a lamprophyre dyke was cored to a depth of 320 feet. In contact with the dyke rock a band of graphite schist was cored for a length of 6.5 feet to a depth of 326.5 feet. The hole continued in a schistose greywacke to a final depth of 348 feet.

Hole F-10, located at 6+15N; 79+70W was drilled N20°W at an inclination of -50 degrees to intersect the massive sulphides cored, near the collar, in hole F-9. The hole passed through 22 feet of overburden and cored a sedimentary sequences to a depth of 213.6 feet before entering the intermediate volcanics and was stopped in the volcanics at a completed depth of 243 feet. A thick diorite dyke was intersected within the sedimentary sequence between 58.5' and 188 feet. The massive sulphides within the graphitic shale at the sedimentary-volcanic contact were intersected over a length of three feet between 210.6 and 213.6 feet. Trace amounts of sphalerite and galena were noted associated with the massive pyrite section.

Drillhole F-11, located at 1+10N; 90+15W was drilled N40°W at a dip of -50 degrees to investigate the

sulphide occurrence south of the railway line. The mineral occurrence up to 12 feet in width, strikes S50°W and dips 85 degrees northward, is mineralized with massive pyrite bands in a graphitic shale with reported values in gold, silver, lead and zinc. The drillhole cored a medium to coarse grained gabbro mass to 266.5 feet before coring a sedimentary sequence to a depth of 297.9 feet where the sulphide bearing graphitic zone was intersected at the sedimentary-volcanic contact for a length of 4.4 feet between 293.5 and 297.9 feet. The hole continued in the intermediate volcanics to a completed depth of 368 feet.

Because of the strong relief in the area all drill moves were made by helicopter, which influenced the direction and location of drillholes. North Star Helicopter Inc. of Hearst, Ontario was used in moving drill and equipment throughout the program.

All holes with the exception of F-3 and F-4A were directed towards the steep hill slopes.

Most of the main conductors outlined in the VLF-EM 16 survey have been tested in the diamond-drill program. The conductors reflect massive sulphides and/or graphitic horizons indicative of a reducing environment at both the beginning and close of sedimentation.

Because only very low gold values were returned from the sampling of drill sections representing the EM conductors, additional exploratory work is not recommended on the drill tested conductors.

The total cost of drilling 11 holes, totalling 4041 feet of BQ, was \$ 128,783.05.

Yours very truly,

PROSPECTING GEOPHYSICS LTD.,

D. M. Ross

D.M. Ross, P.Eng.



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