

(2650) 6000 0019

Location:

NE 1/4 NW 1/4, Sec 27

T16N, R43E

Lander County

Kingston Mining District

± 4341800 North

488700 East

Brewer Canyon 7 1/2 Quad.

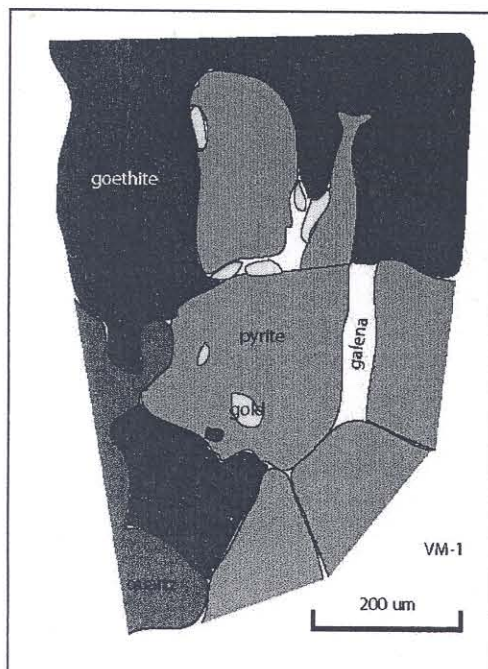
October 24, 2000

To: Alan Coyner
Through: Jon Price
From: Paul Lechler

Re: Gold mineralization in Victorine Mine ore

Two samples of sulfide ore were received from the Victorine Mine for petrographic analysis with an emphasis on determining gold occurrence to aid in mineral beneficiation. One thin section plug was cut from each sample. One half of the plug was sent to Idaho Petrographics for preparation of polished thin sections and the other 1/2 was pulverized and assayed for gold and silver. Assay results are tabulated below:

Sample	Gold (oz/ton)	Silver (oz/ton)
VM-1	16.05	12.1
VM-2	1.03	11.7



The two polished thin sections were examined with a petrographic microscope. No gold grains were seen in sample VM-2, but several coarse gold grains were readily apparent in sample VM-1. A sketch of the mineralogical relationships surrounding gold in VM-1 is presented in the figure to the left.

Native gold grains are present (1) encapsulated in pyrite, (2) present along pyrite grain boundaries, and (3) intergrown with galena between pyrite grains. Gold particles are relatively coarse (10 to 50 um) and should be readily recovered by gravity methods after ball milling.

Gold particles are very yellow, suggesting high fineness; it is likely that most silver is present in solid solution in galena.

Paul J. Lechler, Ph.D.
Chief Geochemist

PROPERTY NAME: Victorine Mine

FORM DATE: 1/22/2001

OTHER NAMES: Kingston Mine, Phoenician, Klondike Mine

MINING DISTRICT: Kingston

COUNTY: Lander

COMMODITIES: gold, silver

100K SHEET: Smith Creek Valley

DEPOSIT TYPE: vein, replacement

7 1/2' QUAD: Brewer Canyon

OWNERSHIP:

SECTION: 27

TOWNSHIP: 16N

RANGE: 43E

UTM North: 4341800

UTM East: 488700

PRODUCTION: small

HISTORY: gold and silver-bearing veins were discovered at this site in 1862. Production has been erratic with peaks during 1865-71 and 1937-41.

DEVELOPMENT: Underground mine, room and pillar operation on "flat" structures

GEOLOGY: Ore occurs in pockets and within vein-loke masses of quartz along a silicified zone in lower Cambrian limestone. The zone strikes east and dips 20° to 30° east, generally parallel to bedding. The zone forms a prominent outcrop ranging from 3 to 8 feet in thickness and is traceable for more than one mile along strike. The gold and silver mineralization is associated with iron oxides, malachite, and azurite to a depth of about 100 feet below the outcrop. Sulfide ores below that contain pyrite, chalcopyrite, and galena.

REMARKS: 1981: During this year, a mine crew of 4 put in 2000 feet of new workings and was reported to have 30,000 tons of ore blocked out. Ore said to contain 1.5 opt Au and 29 opt Ag. This new operation was called the Klondike Mine. Victorine Mine was slightly up canyon to the east. 1984: Bill Stanley (Homestake) reported that Homestake had controlled the old Klondike property for a few years and actively prospected it but did not mine. It adjoined the Victorine Mine at that time operated by a joint venture of Crested Butte Silver Mining Co., U.S. Energy, and New Beginnings Resources.

REFERENCES: Sizer, F.L., 1893 (NBMG files); Brown, A.H., 1909 (NBMG files); Stewart, J.H., and others, 1977, (NBMG Bull 88; Kosvarsanyi, G., 1988 (NBMG files); Lechler, P., 2001 (NBMG files)

SAMPLE SITE: 367

EXAMINER: P. Smith, April 1981; J. Tingley, September 1981