60001939

Mining District File Summary Sheet

DISTRICT	Rosebud
DIST_NO	4010
COUNTY If different from written on document	Pershing
TITLE If not obvious	Rosebud URBD 20101 Drill Memos and Correspondence 1989
AUTHOR	Francisco R; Brewer N; Nelsen C.; Kenner V.
DATE OF DOC(S)	
MULTI_DIST Y / N? Additional Dist_Nos:	
QUAD_NAME	Sulphur 7½'
P_M_C_NAME (mine, claim & company names)	Rosebud Mine; South Equinox; Short Shot; Degerstrom; LAC Minerals USA, Inc; South Ridge; North Equinox;
COMMODITY If not obvious	gold; silver
NOTES	Correspondence; assays; location map; cross sections; handwritten notes 27p.

Keep docs at about 250 pages if no oversized maps attached (for every 1 oversized page (>11x17) with text reduce the amount of pages by ~25)

SS: DD 9/15/08
Initials Date

DB:
Initials Date

SCANNED:
Initials Date

Revised: 1/22/08

URBD 70101 DRILL
MEMOS & CORRESPONDENCE, 1989

60001939 4016

Re - RAC

To: R. Francisco
From: N.H. Brewer NHB
Date: 3 August, 1989
Subject: Rosebud Drilling - South Equinox Target

As you requested from Craig, we are forwarding the attached summary of drill intercepts and copies of working drill sections from the South Equinox Target at Rosebud. These include the latest assays received from a portion of RE-27.

None of the assay results for holes RE-23 through RE-27 are final.

Preliminary results for the rest of RE-25 and RE-26 are expected about the middle of next week. RE-27, 28 & 29 were submitted to the lab today.

Drilling will resume on 8 August with re-entry of RE-9 followed by an angle hole from RL-3.

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TABLE 1: ROSEBUD PROJECT - SOUTH EQUINOX TARGET DRILLING SUMMARY

HOLE NO.	T.D.	BEARING/ INCLINATION	INTERCEPT FROM-TO/WIDTH	AU OPT	AG OPT
RE-1	565'	VERT.	15-20'/5'	0.036	-
			25-30'/5'	0.096	0.11
			275-280'/5'	0.046	-
			325-335'/10'	0.015	-
			345-375'/30'	0.015	0.08
			385-390'/5'	0.019	-
RE-2	820'	VERT.	50-55'/5'	0.013	-
			315-320'/5'	0.010	0.27
			385-390'/5'	0.016	0.15
RL-3	505'	VERT.	95-100'/5'	0.015	-
			175-180'/5'	0.010	-
			220-355'/135'	0.064	0.15
			incl. 220-275'/55'	0.117	0.26
RL-4	565'	S40E/-60	5-10'/5'	0.012	-
			155-160'/5'	0.010	-
			175-180'/5'	0.010	-
			195-200'/5'	0.016	0.10
			210-230'/10'	0.048	0.55
			270-275'/5'	0.016	-
			285-290'/5'	0.026	-
			310-315'/5'	0.047	-
			320-325'/5'	0.012	0.30
RE-5	780'	S05E/-58	225-230'/5'	0.020	0.10
			360-365'/5'	0.013	0.11
			370-570'/200'	0.177	3.12
			570-780'/210'	0.040	0.80
			(prob.contam. 570-780')		
RE-6	492' Lost	S13W/-59	80-85'/5'	0.013	-
			180-185'/5'	0.023	-
			445-485'/40'	0.016	0.114
RE-7	620'	S39E/-58	40-45'/5'	0.020	-

2.

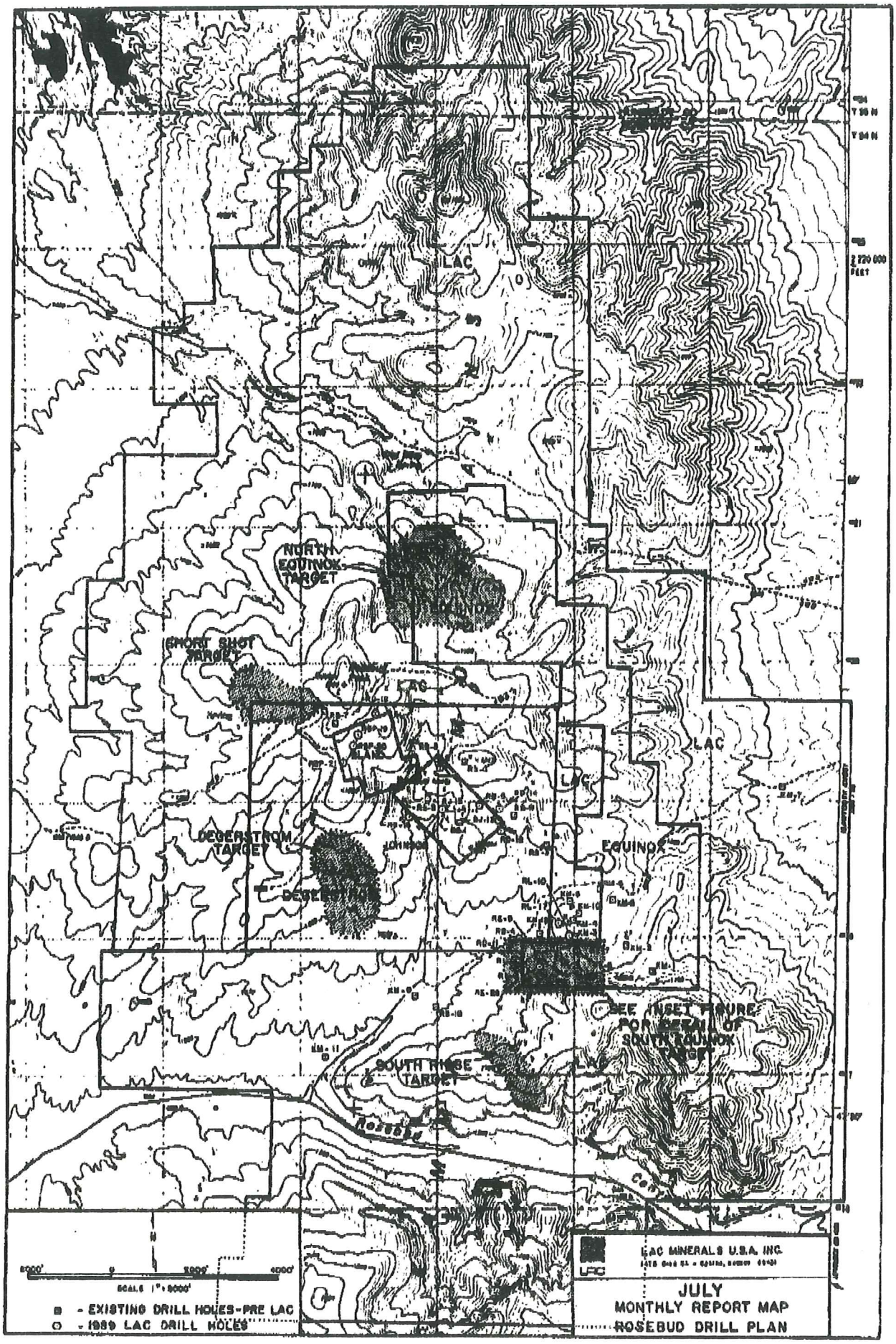
SOUTH EQUINOX DRILLING SUMMARY CONTINUED:

HOLE NO.	T.D.	BEARING/ INCLINATION	INTERCEPT FROM-TO/WIDTH	AU OPT	AG OPT
RE-8	680'	S08E/-58	30-35'/5'	0.014	-
			110-115'/5'	0.099	0.12
			150-160'/10	0.012	-
			260-265'/5'	0.051	-
			285-290'/5'	0.011	0.10
			430-435'/5'	0.015	0.10
			445-510'/65'	0.037	0.34
			530-535'/5'	0.011	-
			575-585'/10'	0.013	0.11
			600-605'/5'	0.012	-
RE-9	460'	VERT.	125-130'/5	0.014	-
			305-310'/5'	0.049	0.80
RE-10	600'	S44E/-58	325-330'/5'	0.011	-
			335-340'/5'	0.014	-
			400-405'/5'	0.041	0.10
			425-430'/5'	0.014	-
			455-460'/5'	0.011	0.10
			475-480'/5'	0.012	-
			510-565'/55'	0.022	0.03
RL-11	480'	S00E/-60	465-480'/15'	0.036	0.07
RE-22	700'	VERT.	265-270'/5'	0.041	0.16
			355-360'/5'	0.023	-
			370-375'/5'	0.017	0.27
			395-540'/145'	0.078	1.93
			incl. 395-450'/55'	0.159	4.62
			565-580'/15'	0.012	0.09
RE-23	660'	VERT.	175-180'/5'	0.013	
			340-345'/5'	0.014	
			360-420'/60'	0.028	
			incl. 390-405'/15'	0.060	
			445-490'/45'	0.023	
			525-535'/10'	0.029	
			555-560'/5'	0.014	
			preliminary assays		
RE-24	480'	S02W/-58	35-40'/5'	0.024	
			395-410'/15'	0.034	
			435-450'/15'	0.013	
			465-480'/15'	0.026	
			preliminary assays		

3.

SOUTH EQUINOX DRILLING SUMMARY CONTINUED:

HOLE NO.	T.D.	BEARING/ INCLINATION	INTERCEPT FROM-TO/WIDTH	AU OPT	AG OPT
RE-25	640'	VERT.	0-5'/5'	0.030	
			70-75'/5'	0.017	
			275-345'/70'	0.052*	
			incl. 320-340'/20'	0.124*	
			assays pending below 345'		
RE-26	405'	S02E/-58	assays pending		
RE-27	580'	VERT.	405-465'/60'	0.085*	
			assays pending 0-390'/465-580'		
RE-28	485'	S02E/-59	assays pending		
RE-29	505'	S00E/-60	assays pending		
TOTALS:	11,022'	19 HOLES (through 3 August)			


LAC
NORTH EQUINOX TARGET
SHORT SHOT TARGET
LAC
LAC
LAC
DEGERSTROM TARGET
EQUINOX
SEE INSET FIGURE FOR DETAIL OF SOUTH EQUINOX TARGET
SOUTH RIDGE TARGET
ROSEBUD
SCALE 1" = 2000'
- EXISTING DRILL HOLES-PRE LAC
- 1989 LAC DRILL HOLES
LAC MINERALS U.S.A. INC.
JULY
MONTHLY REPORT MAP
ROSEBUD DRILL PLAN

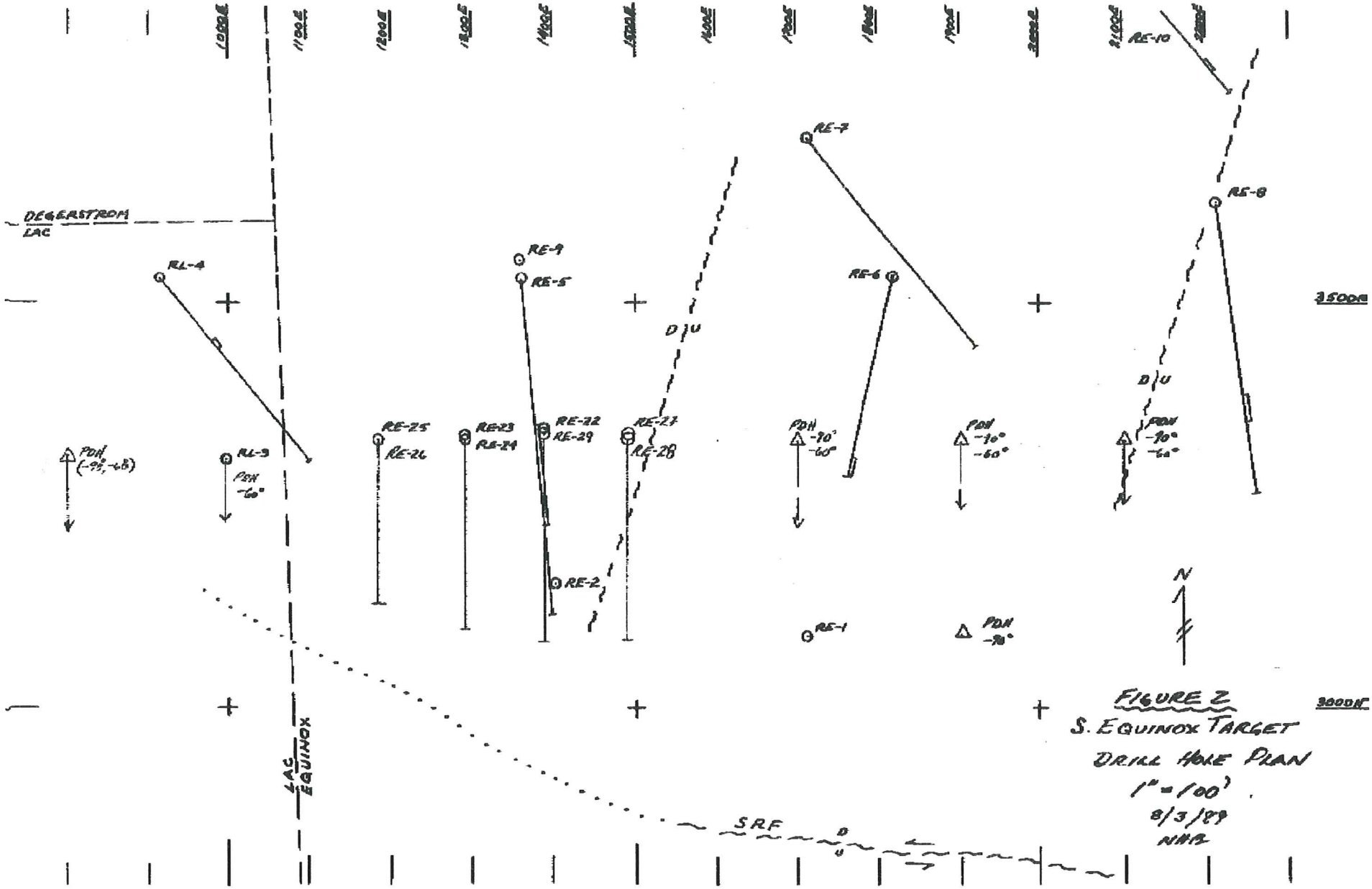
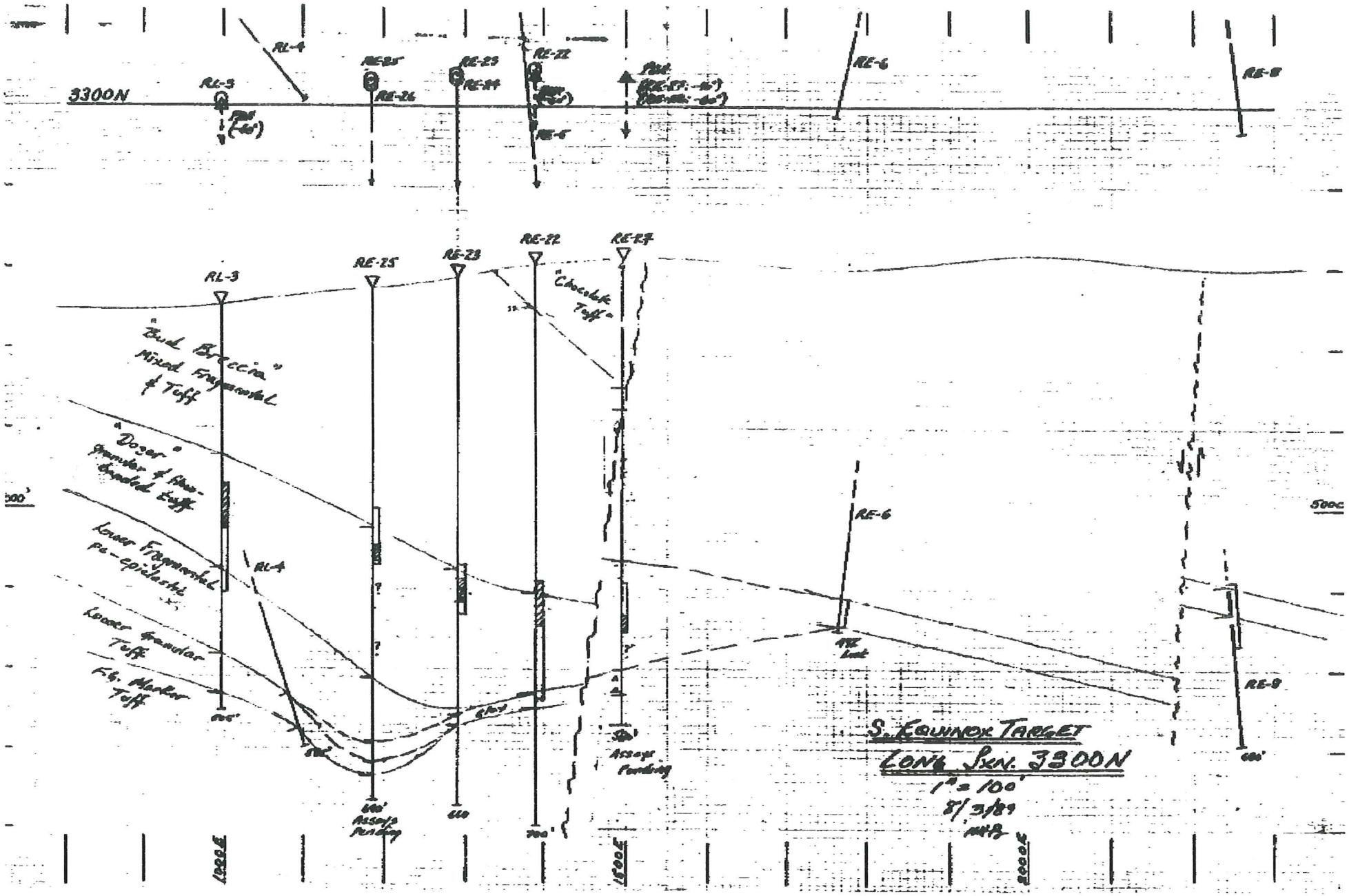
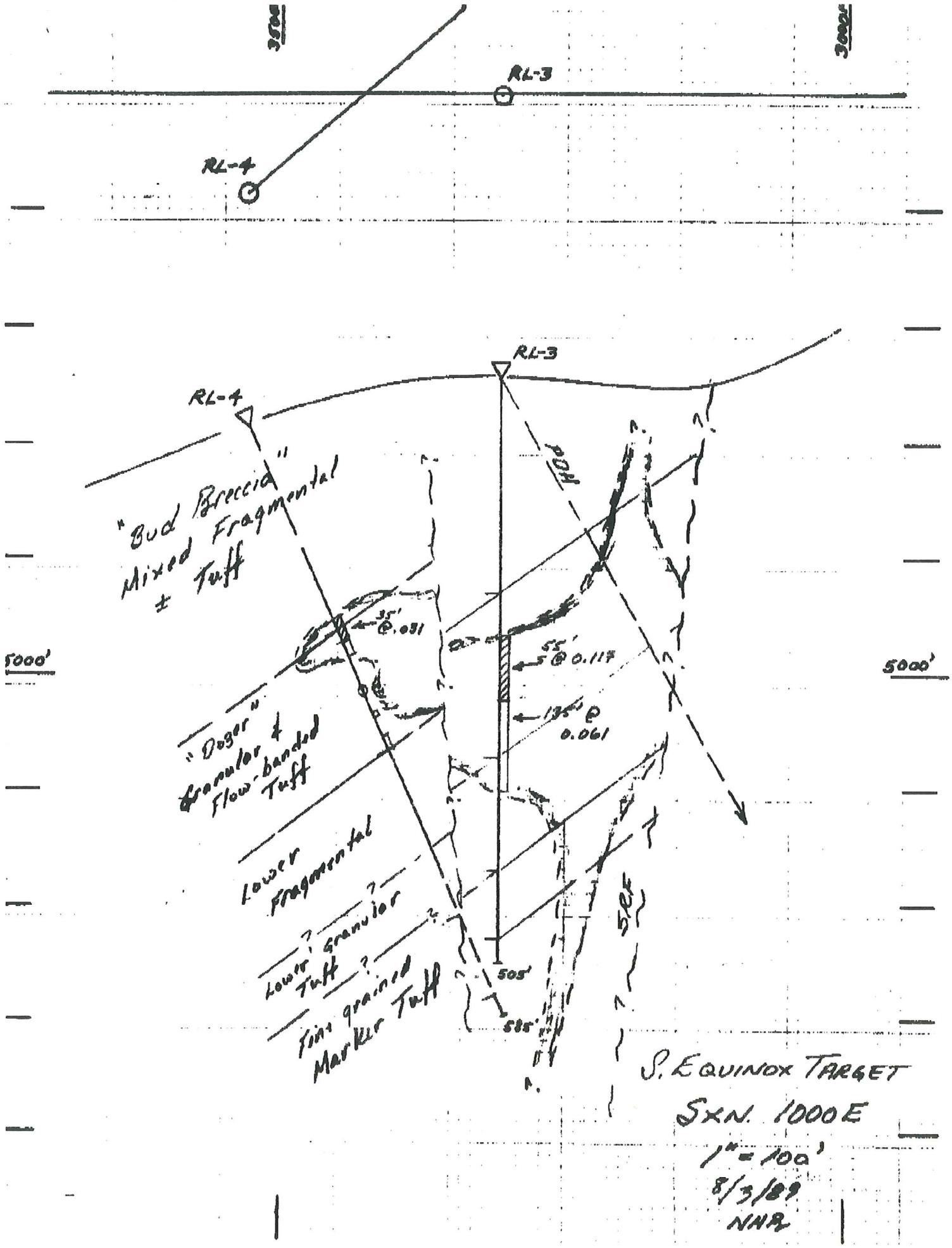
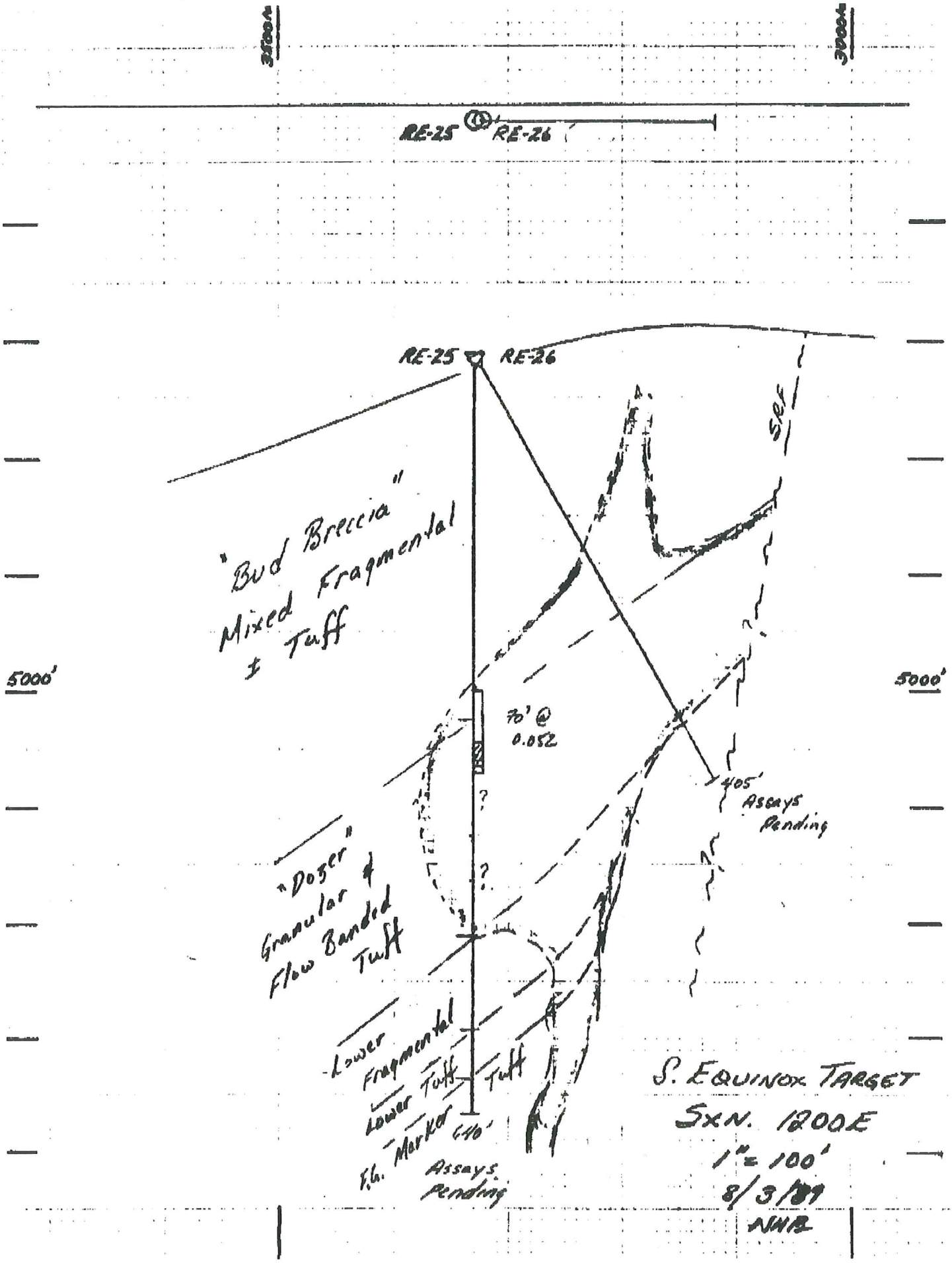
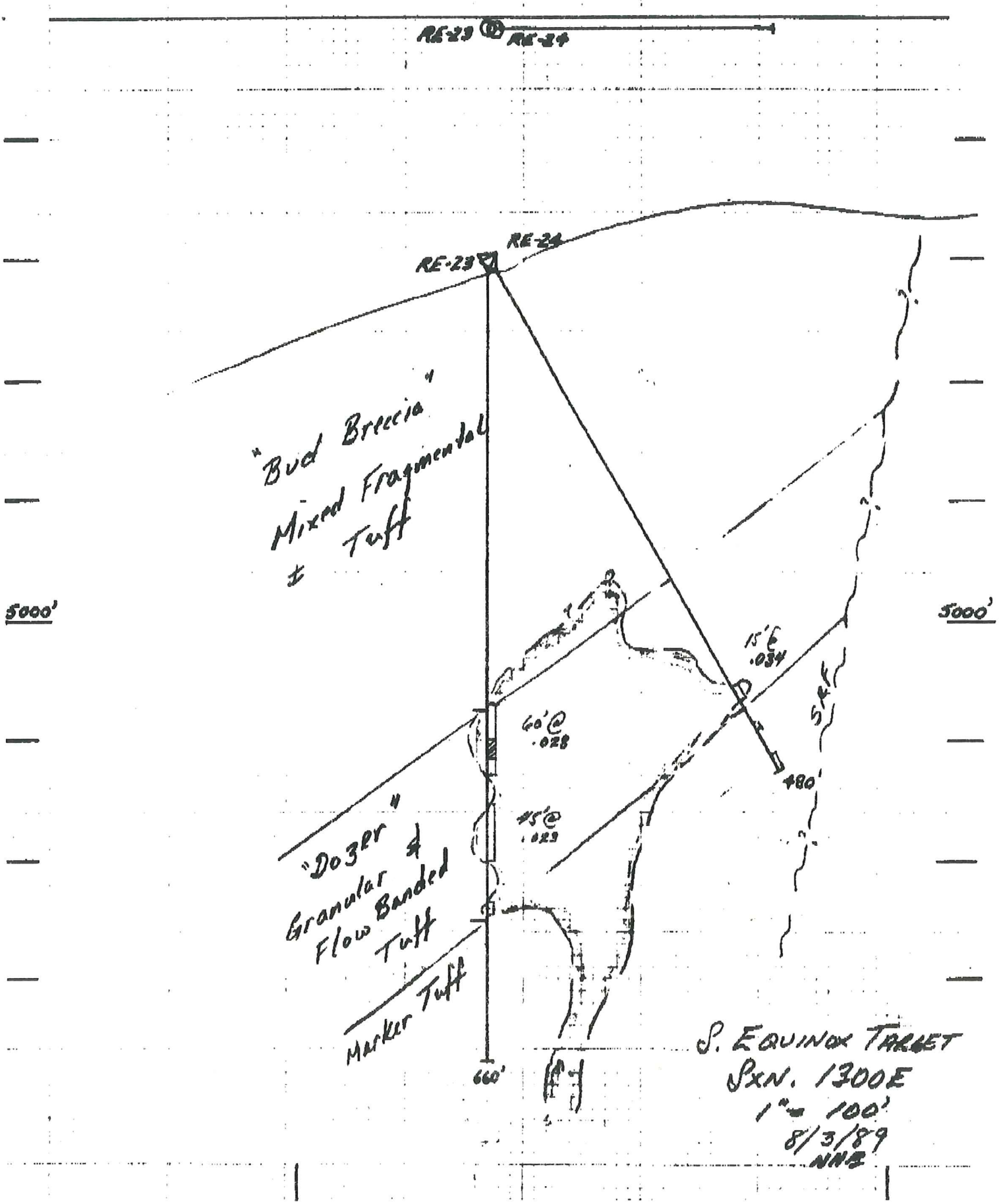


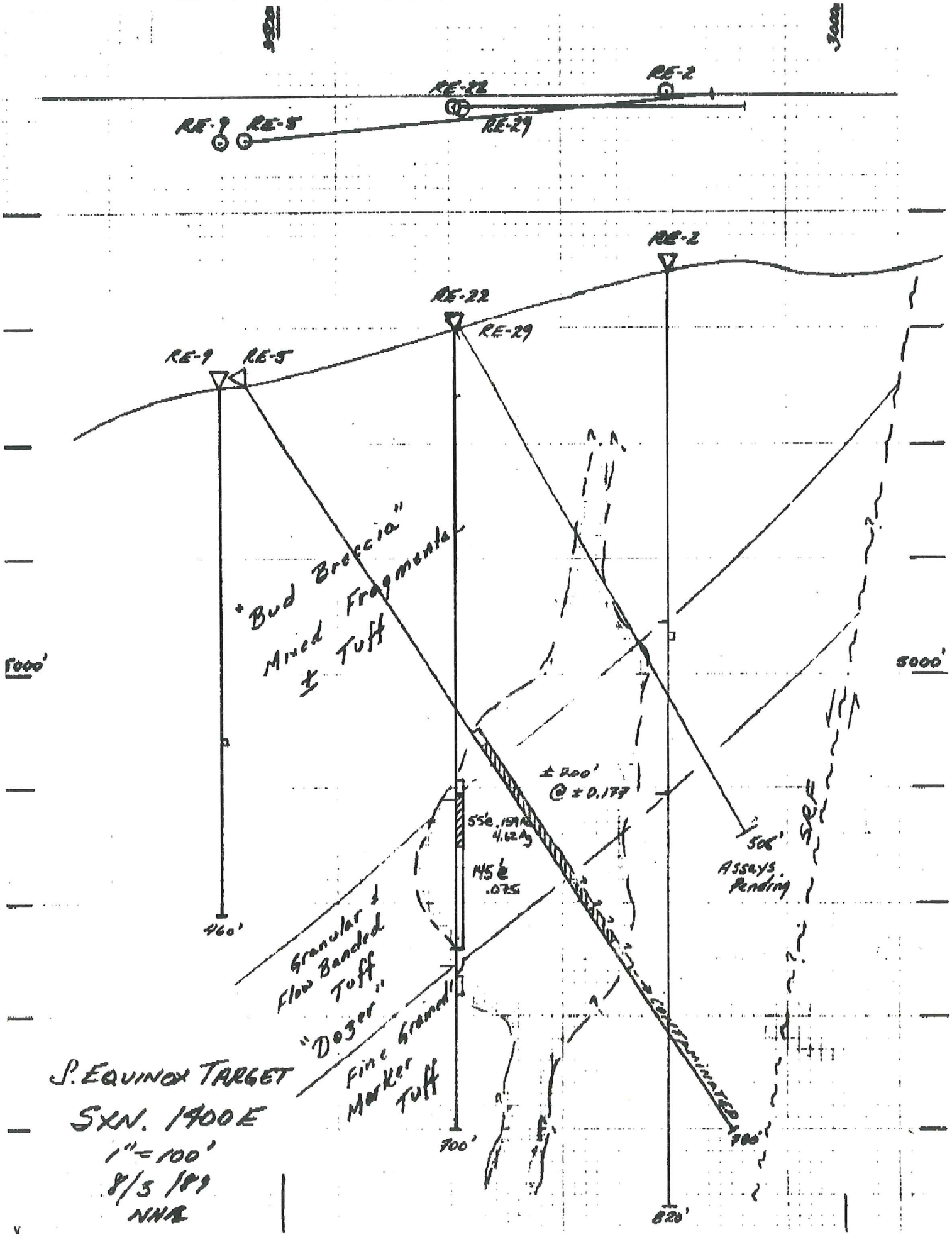
FIGURE 2
S. EQUINOX TARGET
DRILL HOLE PLAN
1" = 100'
8/3/89
NMR

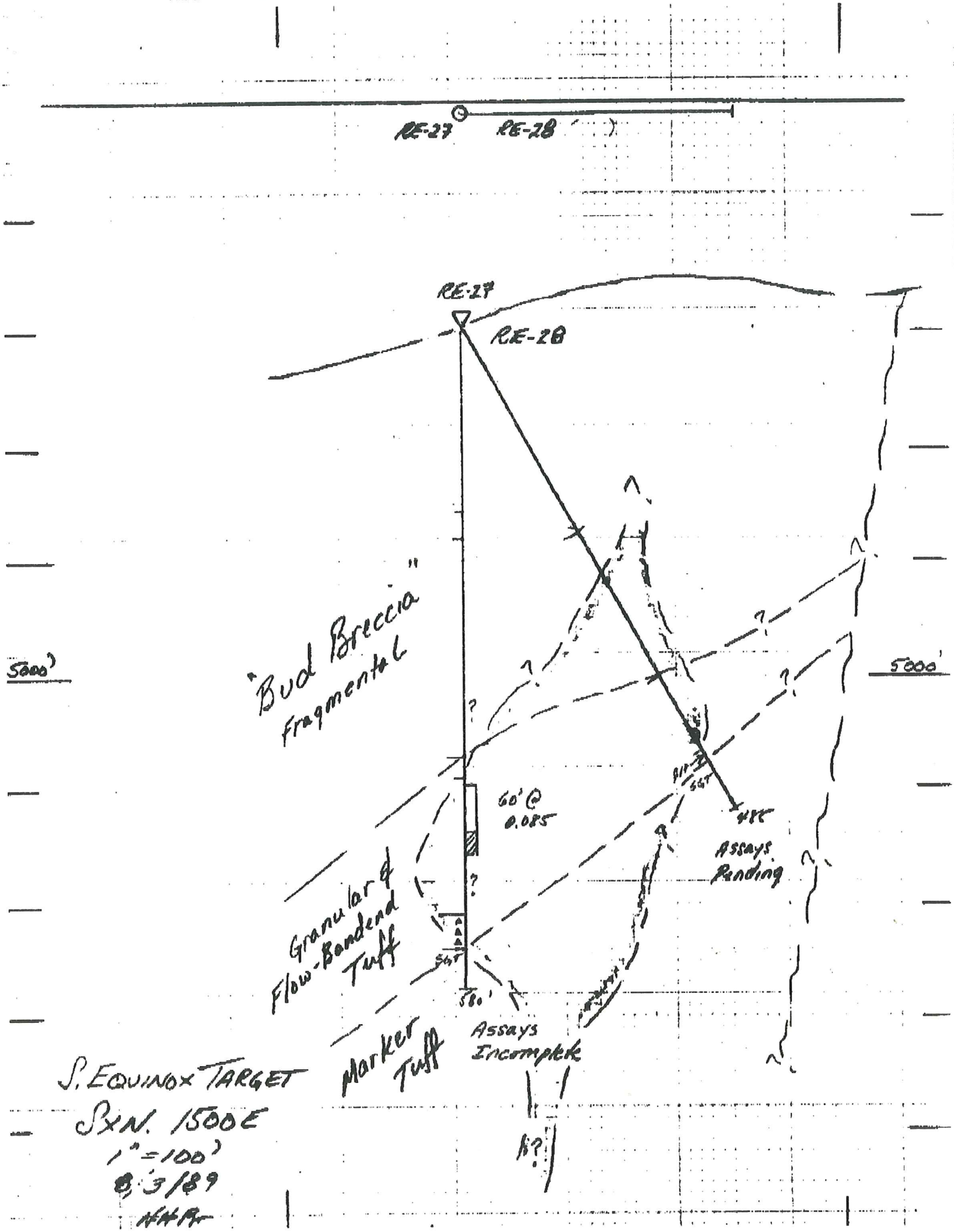

3300N
RL-3
RL-4
RE-25
RE-26
RE-23
RE-24
RE-22
RE-6
RE-8
"Bud Breccia"
Mixed Fragmental
& Tuff
"Dozer"
Granular & Flow-banded Tuff
Lower Fragmental
Pre-epidotic
Lower Granular
Tuff
Fg. Marker
Tuff
"Chocolate
Tuff"
Assays Pending
1200E
1400E
2000E
500
500C
S. EQUINOX TARGET
LONG SECT. 3300N
1" = 100'
8/3/89
MHB

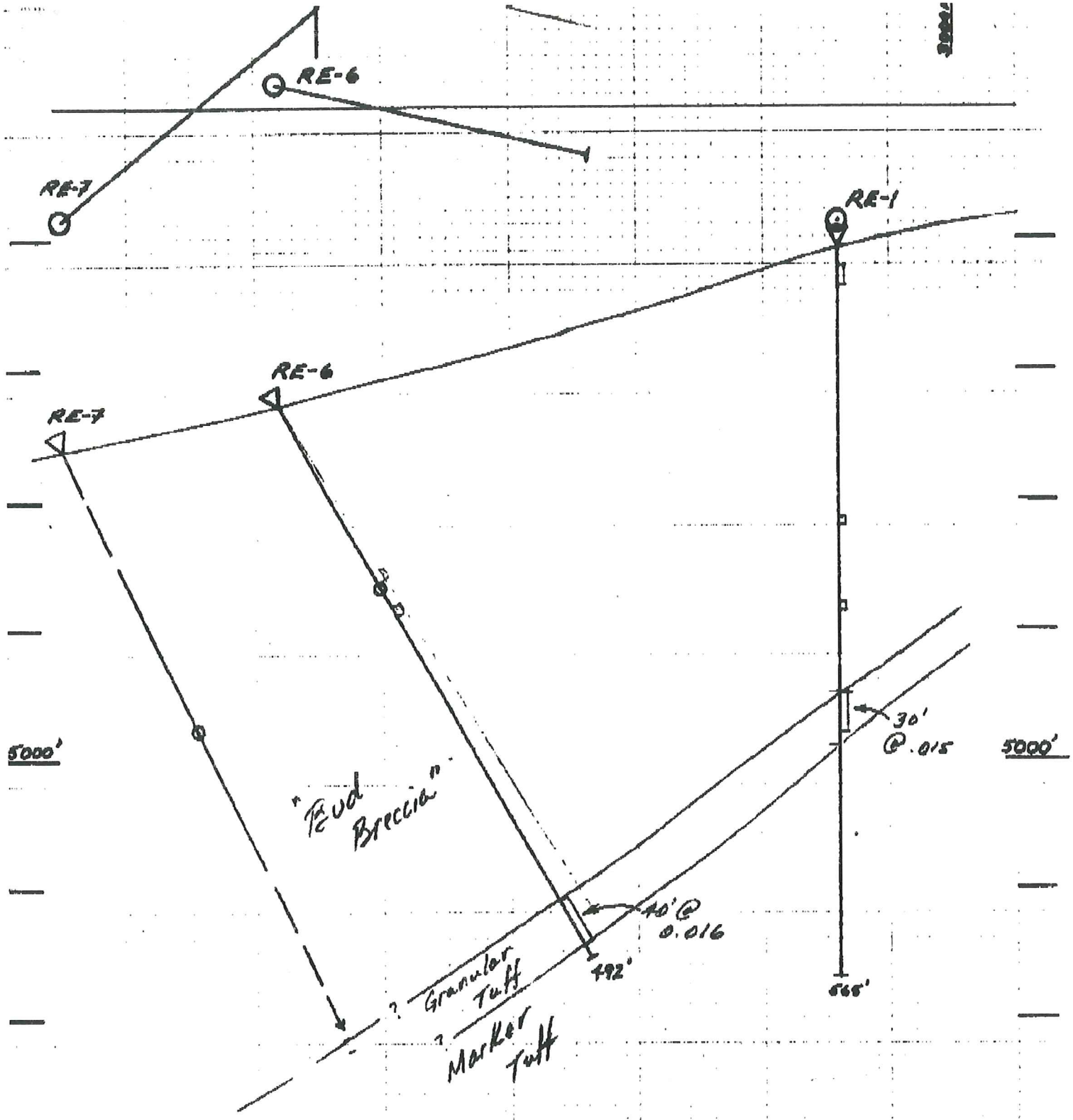

3500E
3000E
RL-3
RL-4
RL-3
RL-4
"Bud Breccia"
Mixed Fragmental
± Tuff
35'
@ 0.031
55'
@ 0.117
135'
@
0.061
5000'
5000'
"Doger"
Granular &
Flow-banded
Tuff
Lower
Fragmental
Lower? Granular
Tuff ?
Fine grained
Marker Tuff
505'
585'
SRF
S. EQUINOX TARGET
SXN. 1000E
1" = 100'
8/3/89
NHR


RE-25
RE-26
RE-25
RE-26
"Bud Breccia"
Mixed Fragmental
& Tuff
5000'
5000'
70' @
0.052
405'
Assays
Pending
"Doger"
Granular &
Flow Banded
Tuff
Lower
Fragmental
Lower Tuff
Tuff
Fla. Marker
640'
Assays
Pending
S. EQUINOX TARGET
SXN. 1200E
1" = 100'
8/3/89
NHR

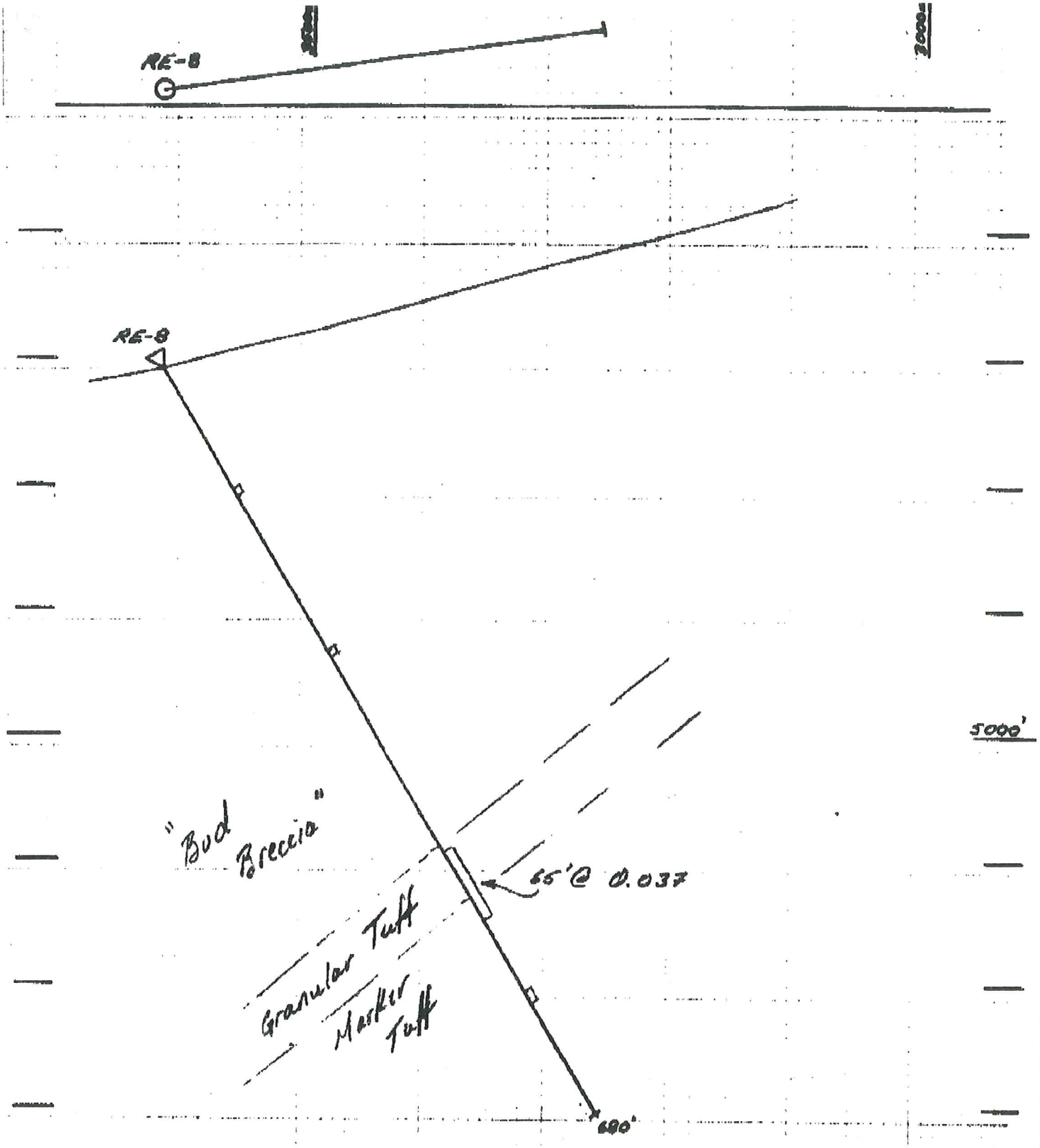

RE-23
RE-24
RE-23
RE-24
"Bud Breccia"
Mixed Fragmental
& Tuff
5000'
5000'
15'@
.034
60'@
.028
480'
45'@
.029
"Dozer"
Granular &
Flow Banded
Tuff
Marker Tuff
660'
S. EQUINOX TARGET
SXN. 1300E
1" = 100'
8/3/89
NHE


RE-2
RE-22
RE-29
RE-9
RE-5
"Bud Breccia"
Mixed Fragmental
± Tuff
5000'
± 200'
@ ± 0.177
55' 1.91 Au
4.62 Ag
145' @
.025
50'
Assays Pending
460'
Granular & Flow Banded Tuff
"Dozer"
Fine Grained Marker Tuff
700'
820'
S. EQUINOX TARGET
SXN. 1400E
1" = 100'
8/3/89
NNR


RE-27
RE-28
RE-27
RE-28
5000'
5000'
"Bud Breccia"
Fragmental
60' @
0.085
Granular &
Flow-Banded
Tuff
Marker
Tuff
Assays
Incomplete
Assays
Pending
S. EQUINOX TARGET
SXN. 1500E
1" = 100'
8/3/89



S. EQUINOX TARGET
SXN. 1800 E
1" = 100'
7/27/89
NHB



S. EQUINOX TARGET
SXN. 2200E
1" = 100'
7/27/89

To: Pe : A. Allen, John F. Cook Daly FRANCISCO

From: Craig J. Nelsen CJN

Date: December 19, 1989 1/3/90

Subject: Rosebud Update

Rocky, HARD COPY TO FOLLOW CRAIG

LAC

Memorandum

Preliminary results have been received from the recently completed drilling program at Rosebud and will be summarized here. Attached is a table of all drilling results on the entire project composited at grades greater than .01 opt Au. Also attached is a surface plan of the South Equinox target and a cross section showing geology and mineralization with interpreted target concepts. The plan also shows grade * thickness contours from drilling results. These appear to illustrate structural trends which will be discussed below. The following points can be made:

1. Our original inference of an east-west trend to mineralization was the result of a post mineral (?) fault, the South Ridge Fault. This structure shallows dramatically to the north juxtaposing the Bud Breccia over strongly welded Dozer Tuff. No significant mineralization has been encountered in the Dozer Tuff.

2. Grade * thickness contours clearly show a high grade (>10 ft*oz) zone trending N25E coincident to a fault mapped on the surface. This zone in core is composed of multiple high grade clay-rich vertical structures surrounded by lower grade well altered and brecciated tuffs.

3. Currently, mineralization appears restricted to a distinct fine grained tuff breccia seen only in the subsurface beneath classic green clay-rich Bud Breccia. This stratigraphic contact dips gently north. Mineralization in the overlying Bud Breccia has not been tested for with our present drilling pattern.

4. We now have a strike length of 600 feet and are open to the north on this zone. Other intersections to the east (RE-8, RE-10, and RE-54) may be suggesting the existence of a parallel zone.

5. A drilling program is being developed and will be permitted shortly to test these emerging ideas. The proposed drilling pattern is shown illustratively on the attached section.

Our last drill hole RE-56, drilled on the East Degerstrom target (on the boundary with LAC owned Bud Claims) encountered significant alteration from 40 ft to the TD at 430 ft. Within this we hit 50 ft grading .014 opt Au and .82 opt Ag and several other zones (see

Table). Given the amount of alteration and the fact that this area is extensively covered, this is a very significant hole and should be followed up with more drilling.

Prior to beginning another program, we need to complete the following task:

1. An archeological survey of areas outside our presently surveyed areas. expected cost - $10,000.
2. Update our current plan of operation with the BLM by amendment. lead time - 6 weeks.
3. Calculate earn-in expenditures for Equinox and Degerstrom. We are very close to our required $700,000 work commitment on Equinox and with an additional cash payment of $90,000, they will have to contribute at 49% or elect dilution. The $90,000 results from collapsing cash payments scheduled over five years into less than two years by our accelerated rate of spending on South Equinox.

We should be able to begin work again by 15 February contingent on weather, BLM and LAC budget approvals.

ROSEBUD PROJECT
DRILLING SUMMARY

TABLE 1: LAC DRILL HOLES (1989)

HOLE NO.	T.D.	BEARING/ INCLINATION	INTERCEPT FROM-TO/WIDTH	AU OPT	AG OPT
RE-1	565'	VERT.	15-20'/5'	0.036	-
			25-30'/5'	0.096	0.11
			275-280'/5'	0.046	-
			325-335'/10'	0.015	-
			345-375'/30'	0.016	0.08
			385-390'/5'	0.019	-
RE-2	820'	VERT.	50-55'/5'	0.013	-
			315-320'/5'	0.010	0.27
			385-390'/5'	0.016	0.15
RL-3	505'	VERT.	35-40'/5'	0.011	-
			95-100'/5'	0.015	-
			175-180'/5'	0.010	-
			220-355'/135'	0.064	0.15
			incl. 220-275'/55'	0.119	0.26
			incl. 225-250'/25'	0.224	0.47
RL-4	585'	S40E/-60	5-10'/5'	0.012	-
			155-160'/5'	0.010	-
			175-180'/5'	0.010	-
			195-200'/5'	0.016	0.10
			205-230'/25'	0.040	0.55
			270-275'/5'	0.016	-
			285-290'/5'	0.026	-
			310-315'/5'	0.047	-
			320-325'/5'	0.012	0.30
RE-5	780'	S05E/-58	225-230'/5'	0.020	0.10
			360-365'/5'	0.013	0.11
			370-525'/155'	0.168	3.13
			525-780'/255'	0.073	1.86
			(Prob. Contam. 525-780')		
RE-6	492'	S13W/-59	80-85'/5'	0.013	-
	Lost		180-185'/5'	0.023	-
			445-485'/40'	0.016	0.11
RE-7	620'	S39E/-58	40-45'/5'	0.020	-

ROSEBUD DRILLING SUMMARY CONTINUED:

HOLE NO.	T.D.	BEARING/ INCLINATION	INTERCEPT FROM-TO/WIDTH	AU OPT	AG OPT
RE-8	680'	S08E/-58	30-35'/5'	0.014	-
			110-115'/5'	0.089	0.12
			150-160'/10'	0.012	-
			260-265'/5'	0.067	-
			285-290'/5'	0.011	0.10
			430-435'/5'	0.015	0.10
			445-510'/65'	0.036	0.34
			530-535'/5'	0.011	-
			575-585'/10'	0.013	0.11
			600-605'/5'	0.012	-
RE-9	700'	VERT.	125-130'/5	0.014	-
			305-310'/5'	0.049	0.80
RE-10	600'	S44E/-58	325-330'/5'	0.011	-
			335-340'/5'	0.014	-
			400-405'/5'	0.041	0.10
			425-430'/5'	0.014	-
			455-460'/5'	0.011	0.10
			475-480'/5'	0.012	-
			510-585'/75'	0.019	0.02
			incl. 525-540'/15'	0.047	0.06
RL-11	480'	S00E/-60	465-480'/15'	0.036	0.07
RD-12	405'	S05E/-58	30-45'/15'	0.027	1.51
			365-370'/5'	0.013	-
RJ-13	385'	N00E/-60	NIL		
RD-14	285'	N00E/-60	NIL		
RJ-15	445'	N19W/-60	NIL		
RD-16	300'	N05E/-66	NIL		
RL-17	605'	S36E/-67	215-225'/10'	0.013	0.01
			260-265'/5'	0.034	0.19
			510-515'/5'	0.013	0.18
			530-535'/5'	0.046	0.24
RD-18	465' Lost	N49W/-61	275-285'/10'	0.021	1.87

ROSEBUD DRILLING SUMMARY CONTINUED:

HOLE NO.	T.D.	BEARING/ INCLINATION		INTERCEPT FROM-TO/WIDTH	AU OPT	AG OPT
RBP-19	445' Lost	N70W/-60		20-25'/5'	0.016	0.25
				75-80'/5'	0.013	0.52
				120-135'/15'	0.016	1.13
				195-215'/20'	0.052	1.04
RBP-20	625'	VERT.		150-155'/5'	0.010	1.24
				375-380'/5'	0.011	0.50
				395-400'/5'	0.016	0.36
RBP-21	645'	N41W/-58		550-555'/5'	0.015	-
				560-565'/5'	0.012	-
				570-575'/5'	0.011	-
RE-22	700'	VERT.		265-270'/5'	0.041	0.16
				355-360'/5'	0.023	-
				370-375'/5'	0.017	0.27
				395-540'/145'	0.075	1.93
			incl.	395-450'/55'	0.159	4.62
			incl.	425-445'/20'	0.363	11.02
				565-580'/15'	0.012	0.09
RE-23	660'	VERT.		175-180'/5'	0.013	0.13
				340-345'/5'	0.014	-
				360-420'/60'	0.028	0.85
			incl.	390-405'/15'	0.060	1.77
				445-490'/45'	0.023	-
				525-535'/10'	0.029	0.13
				555-560'/5'	0.014	0.50
RE-24	480'	S02W/-58		35-40'/5'	0.024	-
				110-115'/5'	0.033	-
				395-410'/15'	0.034	0.60
				435-450'/15'	0.013	0.12
				465-480'/15'	0.026	0.33
RE-25	640'	VERT.		0-5'/5'	0.030	0.44
				70-75'/5'	0.017	-
				270-345'/75'	0.051	0.24
			incl.	320-340'/20'	0.124	0.66
				360-365'/5'	0.012	-
				420-425'/5'	0.014	-
				435-485'/50'	0.019	0.05
				515-520'/5'	0.013	0.18
				535-540'/5'	0.010	0.14
				560-570'/10'	0.020	0.09
				620-625'/5'	0.010	-

ROSEBUD DRILLING SUMMARY CONTINUED:

HOLE NO.	T.D.	BEARING/ INCLINATION		INTERCEPT FROM-TO/WIDTH	AU OPT	AG OPT
RE-26	405'	S02E/-58		50-55'/5'	0.033	0.18
				90-95'/5'	0.015	0.13
				300-310'/10'	0.012	0.45
RE-27	580'	VERT.		405-520'/115'	0.076	1.15
			incl.	420-480'/60'	0.130	2.10
			incl.	445-475'/30'	0.205	3.21
				555-560'/5'	0.010	-
				575-580'/5'	0.032	-
RE-28	485'	S02E/-58		245-250/5'	0.061	0.96
				265-275'/10'	0.016	0.54
				410-415'/5'	0.010	-
RE-29	505'	SO2W/-59		290-295'/5'	0.010	-
RL-30	365'	SO2W/-59		20-25'/5'	0.010	-
				110-115'/5'	0.028	-
RE-31	512'	VERT.		265-270'/5'	0.018	-
				395-400'/5'	0.048	0.23
				480-490'/10'	0.011	0.38
RE-32	405'	SO2E/-60		110-115'/5'	0.046	-
				160-165'/5'	0.011	-
				245-250'/5'	0.034	0.15
RE-33	465'	VERT.		110-115'/5'	0.012	0.58
				120-170'/50'	0.022	0.38
			incl.	135-145'/10'	0.062	1.40
				185-190'/5'	0.010	0.42
				200-215'/15'	0.010	0.42
				225-240'/15'	0.016	0.08
				285-290'/5'	0.010	-
				445-450'/5'	0.014	-
				455-560'/5'	0.020	
RE-34	300'	SO3E/-59		NIL		
RE-35	625' Lost	VERT.		205-210'/5'	0.013	0.28
				315-320'/5'	0.013	-
				345-350'/5'	0.011	-
				385-435'/50'	0.056	0.87
			incl.	400-420'/20'	0.102	1.13
				475-545'/70'	0.020	0.44
				580-585'/5'	0.019	-

ROSEBUD DRILLING SUMMARY CONTINUED:

HOLE NO.	T.D.	BEARING/ INCLINATION		INTERCEPT FROM-TO/WIDTH	AU OPT	AG OPT
RE-36	500'	VERT.		75-80'/5'	0.010	-
				130-135'/5'	0.012	-
				435-465'30'	0.026	0.05
RE-37	495'	VERT.		20-30'/10'	0.025	-
				35-40'/5'	0.011	-
				75-80'/5'	0.018	-
				175-180'/5'	0.013	-
				200-205'/5'	0.013	-
				225-230'/5'	0.015	-
				305-315'/10'	0.033	0.28
				325-340'/15'	0.014	-
				400-410'/10'	0.025	-
				460-485'/25'	0.033	0.14
RL-38	296' Lost	VERT.		NIL		
RL-39	370'	VERT.		55-60'/5'	0.015	-
				125-130'/5'	0.011	-
				135-140'/5'	0.014	-
				155-160'/5'	0.010	0.11
RE-40 (Core)	610'	S04E/-58		395-400'/5'	0.020	0.46
				411-466.5'/55.5'	0.055	1.31
			Incl.	445.5-463'/18.5'	0.114	1.90
				510.5-513.5'/3'	0.010	-
RE-41 (Core)	624'	S65E/-67		412.5-483'/70.5'	0.238	8.18
			Incl.	416.5-436'/19.5'	0.271	13.18
			Incl.	474-483'/9'	1.09	28.88
				523-528'/5'	0.013	-
				553-558'/5'	0.013	0.16
				563-573'/10'	0.300	2.77
				573-576.5'/3.5'	0.016	-
RL-42	450'	VERT.		NIL		
RL-43	310'	N76E/-60		NIL		
RL-44	430'	S44W/-60		40-55'/15'	0.017	0.02
RL-45	490'	S46W/-61		55-65'/10'	0.028	0.02
				240-245'/5'	0.014	0.04
RD-46	430'	N31E/-61		70-90'/20'	0.013	-

ROSEBUD DRILLING SUMMARY CONTINUED:

HOLE NO.	T.D.	BEARING/ INCLINATION	INTERCEPT FROM-TO/WIDTH	AU OPT	AG OPT
RD-47	490'	N81E/-61	165-170'/5'	0.010	-
RD-48	440'	VERT.	30-55'/25'	0.034	0.10
RD-49	545'	S25E/-61	500-505'/5'	0.010	0.14
RE-50	510'	VERT.	145-150'/5'	0.025	0.11
			185-190'/5'	0.015	0.12
			200-205'/5'	0.030	-
RE-51	510'	VERT.	305-310'/5'	0.018	0.11
			335-345'/10'	0.113	0.32
			390-395'/5'	0.015	0.31
			400-405'/5'	0.017	0.13
RE-52 (Core)	570'	S79E/-64	367-453'/86'	0.069	0.98
		Incl.	387-428'/41'	0.120	1.97
		Incl.	399-423'/24'	0.155	2.56
			(Assays Incomplete)		
RE-53	470'	VERT.	325-220'/5'	0.010	-
			335-340'/5'	0.010	-
			360-470'/110'	0.028	0.25
		Incl.	405-470'/65'	0.037	0.32
			(Poss. Contam. 450-470')		
RE-54	625'	VERT.	170-175'/5'	0.017	0.25
			215-220'/5'	0.011	0.10
			240-245'/5'	0.018	0.14
			255-265'/10'	0.022	-
			280-305'/25'	0.015	-
			325-330'/5'	0.018	-
			365-370'/5'	0.014	-
			395-400'/5'	0.015	-
RE-55 (Core)	692'	S52E/-76	290-310'/20'	0.036	0.03
			335-340'/5'	0.044	0.25
			355-360'/5'	0.021	0.16
			378-382'/4'	0.010	-
			396-447'/51'	0.034	0.07
		Incl.	396-412'/16'	0.050	0.06
		Incl.	427-447'/20'	0.047	0.12
			455-460'/5'	0.024	0.13
			514-549'/35'	0.259	2.05
		Incl.	524-534'/10'	0.726	5.54

ROSEBUD DRILLING SUMMARY CONTINUED:

HOLE NO.	T.D.	BEARING/ INCLINATION	INTERCEPT FROM-TO/WIDTH	AU OPT	AG OPT
RD-56	450′	VERT.	55-105′/50′	0.014	0.82
			145-150′/5′	0.015	-
			285-295′/10′	0.046	-
TOTAL:	28,862′	56 Holes			

TABLE 2: FREEPORT DRILL HOLES (1985-1986)

HOLE NO.	T.D.	BEARING/ INCLINATION	INTERCEPT FROM-TO/WIDTH	AU OPT	AG OPT
KM-1	605'	S12W/-75	NIL		
KM-2	605'	VERT.	100-105'/5'	0.020	~0.05
			390-400'/10'	0.014	1.04
			590-605'/15'	0.012	0.29
KM-3	600'	VERT.	15-25'/10'	0.094	0.06
			115-120'/5'	0.093	0.39
			430-435'/5'	0.026	0.05
			450-470'/20'	0.011	0.06
			490-495'/5'	0.011	0.15
			555-560'/5'	0.011	0.04
			575-585'/10'	0.018	0.07
			595-600'/5'	0.013	0.09
KM-4	600'	VERT.	160-170'/10'	0.018	0.07
			175-180'/5'	0.021	~0.04
			250-255'/5'	0.041	~0.03
			530-540'/10'	0.117	0.03
KM-5	400'	VERT.	NIL		
KM-6	400'	VERT.	275-280'/5'	0.025	0.02
KM-7	340'	VERT.	NIL		
KM-8	600'	S40E/-50	235-240'/5'	0.019	0.08
			265-270'/5'	0.010	0.04
			285-290'/5'	0.039	0.03
			320-325'/5'	0.076	~0.05
			540-550'/10'	0.016	0.07
			560-565'/5'	0.049	~0.04
			590-600'/10'	0.019	-
KM-9	365'	VERT.	165-170'/5'	0.016	ND
			180-190'/10'	0.018	ND
			325-335'/10'	0.053	ND
			350-365'/15'	0.027	ND
KM-10	380'	VERT.	70-75'/5'	0.025	ND
KM-11	405'	S46E/-60	180-185'/5'	0.046	ND
KM-12	445'	N75E/-60	NIL		

TABLE 2: FREEPORT DRILL HOLES CONTINUED

HOLE NO.	T.D.	BEARING/ INCLINATION	INTERCEPT FROM-TO/WIDTH	AU OPT	AG OPT
RB-1	500'	N05E/-70	255-260'/5'	0.019	ND
			355-360'/5'	0.032	ND
RB-2	660'	N05E/-60	0-5'/5'	0.013	ND
RB-3	460'	N35W/-70	NIL		
RB-4	405'	VERT.	25-30'/5'	0.010	ND
			75-80'/5'	0.010	ND
			120-125'/5'	0.013	ND
RB-5	425'	VERT.	0-5'/5'	0.042	ND
			35-40'/5'	0.010	ND
			115-135'/20'	0.027	ND
			175-190'/15'	0.014	ND
			205-220'/15'	0.015	ND
RB-6	405'	VERT.	NIL		
RB-7	305'	S07E/-60	NIL		
RB-8	300'	VERT.	NIL		
RB-9	305'	VERT.	75-90'/15'	0.186	ND
RB-10	485'	S85E/-60	NIL		
TOTAL:	9995'	22 Holes			
GRAND TOTAL:	**38,857'**	**78 Holes**	**(LAC & FREEPORT)**		

To: Craig J. Nelsen

From: Kristen L. Kenner

Date: October 2, 1989

Subject: **CORE DRILLING OBJECTIVES**

LAC

Memorandum

Two core holes will be drilled by SDS Drilling Services beginning October 3, 1989 on the South Equinox target of the Rosebud Project. The first hole will be a twin of RE-5 with a 10-15 foot offset duplicating the S05E,-58 degree angle hole. Our objective is to determine the structural controls for Au,Ag mineralization and to determine if there is a significant contamination problem with rotary drilling.

The proposed second hole will be drilled from the same pad as RE-5 at S58E,-67 degrees, intersecting a midpoint between RE-35 and RE-27 which have significant Au mineralization. The projected depth to mineralization is 418 feet and will fill a gap in the drilling fence. Another objective for this hole is to intercept a postulated NE trending structure which appears to be a boundary for Au,Ag mineralization and offsets mineralization to the east. Most drilling to date has not adequately tested a possible northeast trend to high grade mineralization. Approximate depth for each hole is 600 feet with a total estimated drilling cost of $27,600 (at $23.00/foot). The estimated time involved is 8 to 10 days.

To: CJN
From: NHB / KLK
Date: 11 August 89
Re: ROSEBUD UPDATE — FYI

① RE-9 T.D. @ 700' (8/10 PM)

460 — 565': dense, siliceous very fine gr. tuff.
565 — ~~[illegible]~~ 675': wk.-mod. argillized (bleached) pyroclastic ± pink fgt. Incl. min. qtz. vnlts., pyrite. (this zone may be down-dip equiv. of host in RE-22 & 5 ??)
~~[illegible]~~ 675' — 700': v.fg. SGT — Marker Tuff.

② RL-30 (-60° South) will be collared 8/11 AM.
- located @ RL-3.

③ Degerstrom Grid Soils completed 8/10.

④ South Ridge Grid Soils continuing 8/11.

⑤ PACTOLUS - Chance Claims:
- main altn. along NNE and NE Range Front Fault in ? Dozer Tuff.
- Ken Brook's sample locs. are very misplotted.
- Best zone incl. strong sil'n & bx'n occurs on Chance Claims #48, 50, 55 & 57 located 12/15/87 & 2/2/88.
- These claims overlap Short Shot Placers #6 & 8 (10/1/87) and are overlapped by 55 Lodes (LAC '89).
- Overall, unless results of my sample (C-2633 → 2642) are outstanding, I'd say the claims aren't worth more than a very low-ball offer.

⑥ ~~[illegible]~~ OVERLAND CYN Assessment work done 8/11.