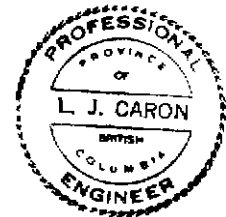


ASSESSMENT REPORT  
on  
1997 SUMMER DRILL PROGRAM  
PHOENIX (SYLVESTER K) PROPERTY  
(for filing on the Phoenix 97 Group)

NTS 82E/2 E

Lat: 49° 06' 30"N  
Long: 118° 36' 00"W



Kettle River Resources Ltd.  
Box 130, 330 Copper St.  
Greenwood, B.C.  
V0H 1J0

DEC 10 1997

GOVERNMENT OFFICE  
GRAND FORKS

Linda Caron, P. Eng.  
September, 1997

25,302

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## 1.0 SUMMARY

This report describes the results of a 10 hole, 3466 foot diamond drill program completed during July, August and September, 1997 on the Phoenix 97 Group of mineral claims, located about 6 kilometres east of Greenwood, B.C.

The Greenwood camp, and particularly the Phoenix area, has a long history of exploration and mining activity, dating back to 1881 when the first mineral claims were staked. The Phoenix mine operated from the 1890's until 1919 as an underground operation, and then again as an open pit mine during the period 1956 - 1976. Total production at Phoenix during the period 1900 - 1976 is reported at 27 million tons at a grade of 0.9% Cu and 0.04 oz/t Au, from a number of different ore bodies. No significant work was done on the property from the shut down of operations in the late 1970's, until 1981 when Noranda optioned the Phoenix property to Kettle River Resources Ltd., who carried out an exploration program focused on the precious metal potential of the property. A drilling program re-discovered and then aggressively explored the Sylvester K zone during the period 1983-87. In 1997 Echo Bay acquired the property as part of a joint venture with Kettle River Resources Ltd. covering a larger land package in the Greenwood area. In the summer of 1997, the drilling program described in this report was completed.

The Phoenix property is underlain by rocks of the Triassic Brooklyn Formation sitting unconformably upon Permian Knob Hill Group cherts and greenstones, and located in the uppermost thrust slice in the Greenwood Camp. The Brooklyn Formation consists of an interfingering sequence of chert breccia (sharpstone) and fine clastics, limestone and limestone breccia, and volcanics (greenstone, pyroclastics and subvolcanic microdiorite). Two distinct units of sharpstone conglomerate are recognized in the Phoenix area, commonly separated by a thick section of massive limestone (the Brooklyn limestone). Most of the mineralization discovered to date in the Phoenix area is skarn type copper (+ gold) developed in the sharpstone conglomerate (both in the upper and lower units). At the Sylvester K prospect, massive pyrite and pyrrhotite, typically grading about 0.25 oz/t Au occurs essentially at the contact between the Brooklyn limestone and the underlying lower sharpstone. The mineralized zone strikes at about 020°, with a near vertical to steep east dip. Footwall to the massive sulfides is a section of fine sulfidic volcanic siltstone which can average in the order of 0.3 oz/t Au. Where the entire massive sulfide horizon and underlying footwall rocks have been intersected uncomplicated by faulting, the mineralized zone ranges up to 40 feet in thickness. The horizon can be traced on strike for about 500 feet near surface, although the zone narrows in thickness at the north and south ends. The origin of the mineralization is much debated. Mineralization is consistent with a volcanogenic massive sulfide model, but may also be explained by a distal skarn model or manto type, related to the Phoenix deposit. While the area is very complicated by faulting, none of these faults appear to be controlling mineralization. In any case, mineralization is stratigraphically controlled, and the stratigraphy is characteristic and recognizable, although cut by numerous Triassic microdiorite or Tertiary dykes (early feldspar +/- biotite porphyry dykes, later, typically pink, syenite dykes, or very late less common, hornblende porphyry dykes). The Tertiary dykes are largely flat lying and are controlled by a series of flat to gently west dipping faults.

Compilation of previous drill data had suggested that 2 flat faults displaced stratigraphy at Sylvester K, the 100 Fault (about 100' below surface in the Sylvester K area), and the 400 Fault Zone, about 300' below this. Displacement appeared to be top to the west, with about 300 feet of movement on the 100 Fault, and an unknown amount on the 400 Fault. For the purpose of discussion, the panels have been named - the Sylvester K panel above the 100 Fault, which hosts the main Sylvester K trench and intersections drilled in 1983, the New York panel below this (between the 100 and 400 Faults), and the Brooklyn panel below the 400 Fault. Several hundred feet below the 400 Fault is the Snowshoe Fault, a regional, gently west dipping listric normal fault which has a similar top to the west sense of movement, and which places the Brooklyn Formation unconformably on Knob Hill Group rocks. The 100 and 400 Faults are thus sympathetic to this larger regional fault. Since the Sylvester K horizon is

stratigraphically controlled, and regardless of whether mineralization is related to the nearby skarns or represents a Triassic VMS deposit, it predates the flat faulting which offsets stratigraphy. As a result, the mineralized horizon should be present in offset panels of rock. The 1997 drill program was designed to test for the down dip, faulted offset to the Sylvester K horizon, to the east, in the New York and Brooklyn panels.

The 1997 drill program confirmed the presence of the 100 and 400 Faults, but revealed at least 3 later, vertical to steeply west dipping normal faults (with an unknown amount of strike-slip movement indicated on at least one of these faults). These later normal faults have the effect of bringing deeper panels closer to the surface to the east. As a result, the Sylvester K panel has been completely removed to the east, and the New York panel removed in part, so that by the time the eastern most steep fault is crossed, the New York panel seems to be completely removed. Unfortunately, the 400 Fault zone which marks the base of the New York panel, is occupied largely by thick Tertiary dykes, and a large part of drilling to date has been in these dykes. In the sections drilled, there appears to be little room left for the prospective horizon in the New York panel, due to the presence of these dykes, although it was encouraging that hole ML-06-97 intersected a 6 foot section of 0.115 oz/t Au in the mineralized zone immediately above the stratigraphic position of the "Sylvester K" horizon. Because of the unknown strike-slip movement on the faults, there may however be prospective ground to the south or north. Potential also exists in the Brooklyn panel, below the 400 fault, which is close to surface east of F1. The prospective horizon has been located in this area in one drill hole, although it was unmineralized where intersected. The on-strike offset along the steep late faults is unknown, and drilling should be done to test the "Sylvester K" horizon on strike to the north and south in the Brooklyn panel.

## 2.0 INTRODUCTION

### 2.1 Location, Access and Terrain

The Phoenix property is located about 6 kilometres east of Greenwood, B.C. on NTS 82E/2E, and centered at about 49° 06' 30"N latitude and 118° 36' 00"W longitude (see Figure 1). Access to the property is excellent, with an all-weather road from Greenwood east to Phoenix and then extending east from Phoenix to intersect Highway 3 north of Grand Forks. There are numerous secondary roads which provide further access to the property.

Elevations range from approximately 3000 feet in the northern portion of the property, to over 5100 feet at the height of Knob Hill, just south of the Phoenix pit. Generally, the topography is moderate, with rolling forested hills. The majority of the property is covered by mature fir, pine and larch forest, with typically minimal undergrowth. Wetter areas have dense immature cedar forest, while open grassy areas often occupy dry south and west facing slopes. There are numerous old mine workings and tailings deposits throughout the property, but particularly in the vicinity of the Phoenix pit.

The climate is moderate to semi-arid, with hot, dry summers. Snowfall generally averages 1 - 2 metres, and winter temperatures rarely drop below -25° C. Summer temperatures range up to about 35° C, although generally do not exceed 30° C. Water is available for drilling year round from the Phoenix pit or from Marshall Lake, a small man-made lake about 1 kilometre north of the pit.

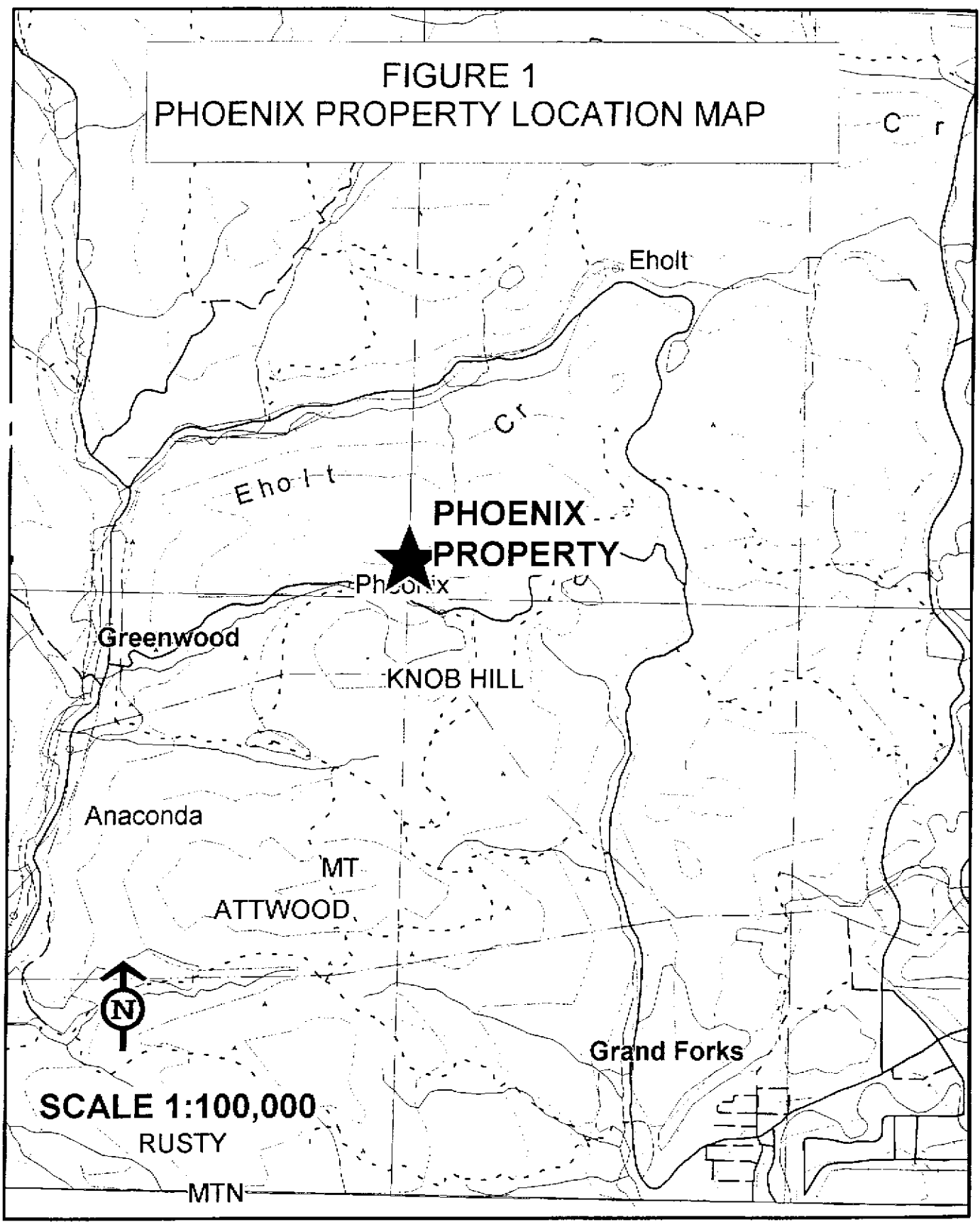
### 2.2 Property and Ownership

For the purpose of filing assessment work, the claims have been grouped together as the Phoenix 97 Group, as listed below and shown in Figure 2. All claims are owned 100% by Kettle River Resources Ltd and are part of a larger land package in the Phoenix area. The Phoenix 97 Group consists of 11 Crown Grants, 5 Mineral Leases, 4 Reverted Crown Grants, and 46 Located 2 and 4 post mineral claims, for a total of 97 units. Expiry dates listed are after filing this report.

#### Phoenix 97 Group

CLAIM NAME	TENURE #	UNITS	EXPIRY
GARFIELD	CG1264	1	
SYLVESTER K	CG2385	1	
WOODSTOCK	CG2627	1	
LITTLE DALLES	CG2628	1	
MAY	CG2629	1	
DENVER	CG2875	1	
DEXTER FR	CG3298	1	
WAR EAGLE	CG678	1	
GREY EAGLE	CG793	1	
NEW YORK	CG901	1	
MISSING LINK	CG979	1	
SYLVESTER K FR.	216291 (M106)	1	22/09/98
MONTE CRISTO	351018	1	30/09/2004
MONTE CARLO	351019	1	30/09/2004
BIG MONTE	351020	1	30/09/2004
DIAMOND JOE FR	351036	1	30/09/2004
DIAMOND JOE	351037	1	30/09/2004
MULLAN	351038	1	30/09/2004

**FIGURE 1**  
**PHOENIX PROPERTY LOCATION MAP**





## Phoenix 97 Group, cont...

CLAIM NAME	TENURE #	UNITS	EXPIRY
DOUBTFUL	351039	1	30/09/2004
TIGER	351040	1	30/09/2004
BRANDON FR.	216285 (M100)	1	22/10/97
LITTLE BROWN	216285 (M100)	1	22/10/97
LITTLE ANNIE	216285 (M100)	1	22/10/97
MARSHALL	216285 (M100)	1	22/10/97
BRANDON	216285 (M100)	1	22/10/97
CUSTER FR.	216285 (M100)	1	22/10/97
BELMONT FR	216287 (M102)	1	26/10/97
STAFFORD FR	306733 (M098)	1	21/11/97
BOSTON	306733 (M098)	1	21/11/97
WILLAMENA FR	306733 (M098)	1	21/11/97
MARSHALL FRACTION	216288 (M103)	1	21/04/98
SUNNY #1	338686	4	09/08/2004
SUNNY #2	338687	8	09/08/2004
SUNNY 3	341453	1	31/10/2004
SUNNY 4	341454	1	31/10/2004
SUNNY 5	341455	15	31/10/2004
WENDY NO 15 FR	216326	1	26/10/2004
GLENSIDE 2 FR	215573	1	28/03/2004
ORONOCO	214575 (RCG)	1	08/06/2004
YUKON FR	214576 (RCG)	1	08/06/2004
CRACKER JACK	214577 (RCG)	1	08/06/2004
PAX FR	214688	1	17/06/2004
COLTHERN #1	215758	1	20/06/2004
WENDY FR	214583	1	06/07/2004
BOBCAT #7	216406	1	07/07/2004
BOBCAT #8	216407	1	07/07/2004
BOBCAT #9	216408	1	07/07/2004
BOBCAT #10	216409	1	07/07/2004
LITTLE BURNE FR	214596 (RCG)	1	04/08/2004
PAC 35	216415	1	12/08/2004
PAC 36	216416	1	12/08/2004
PAC 37	216417	1	12/08/2004
PAC 38	216418	1	12/08/2004
PAC 39 FR	216419	1	12/08/2004
PAC 40 FR	216420	1	12/08/2004
GEM FR.	214590	1	23/08/2004
CRACKER JACK 2 FR	214592	1	23/08/2004
COY NO 1	216378	1	21/09/2004
COY NO 2	216379	1	21/09/2004
COY NO 3	216380	1	21/09/2004
COY NO 4 FR	216381	1	21/09/2004
COY NO 5 FR	216382	1	21/09/2004
COY # 6	216423	1	22/09/2004
COY # 7	216424	1	22/09/2004
COY # 8 FR	216425	1	22/09/2004
WENDY NO 13	216325	1	26/10/2004
GLENSIDE FR	215578	1	28/03/2004
GLENSIDE 1	215593	1	28/03/2004
GLENSIDE 2	215594	1	28/03/2004
GLENSIDE 3	215595	1	28/03/2004
PIPE 5 FR	214588	1	23/08/2004
BULLION FR.	214589	1	23/08/2004
CRACKER JACK 1 FR	214591	1	23/08/2004



## 2.3 History

The Greenwood camp, and particularly the Phoenix area, has a long history of exploration and mining activity. Total production at Phoenix during the period 1900 - 1976 is reported at 27 million tons at a grade of 0.9% Cu and 0.04 oz/t Au, from a number of different ore bodies (Church, 1986). Caron (1992) provides a detailed description of the history of the area and is quoted verbatim below. For further detail, the reader is referred to Peatfield (1978) and Church (1986) who also give historical accounts of the area. Additional information is also available on the BC Minfile (82ESE013-031, 82ESE046).

The first claims in the Phoenix area were staked by Henry White and Matthew Hatter on July 15, 1881. In 1896, J.F.C. Miner, a rubber footwear manufacturer from Granby, Quebec, together with mining promoters J.P. Graves and A.L. Little of Spokane, Washington, formed the original Granby Company to work in the area.

By 1889 the Canadian Pacific Railway had extended a branch line to Phoenix and underground mining of copper and gold ores began, using a combination of square set and room and pillar stopes, serviced by numerous shafts and adits. Later, open pit mining methods were developed and the Ironsides Mine became one of the first open pit mines in Canada.

In 1890, the City of Phoenix was incorporated and the Granby Smelter in Grand Forks was completed. Most of the ore feeding the smelter in Grand Forks came from the Ironsides Mine; however, eight different mineralized zones contributed to production from the Granby property. Ore was also produced in the mining camp by the Consolidated Mining and Smelting Company, primarily from the Snowshoe Mine. Production rates from the camp at this time varied widely; a maximum rate of approximately 3000 tons per day was achieved. In 1919, the Granby mine and smelter closed due to low copper prices, lower ore grades and a shortage of coking coal for the smelter furnaces.

In 1956, the Granby Company re-purchased the property and evaluated the property with the intent of mining by open pit trackless mining methods. Open pit production began in 1960 at a rate of 900 tons per day and was increased to 2000 tons per day in 1961 and was further increased to 3000 tons per day in 1972.

By 1973, declining production was supplemented by processing low grade copper ore stockpiled in previous years. Mill feed was augmented by ore trucked from the Lone Star Mine 20 km to the south in Washington State. An unsuccessful attempt was also made to mill ore from the nearby Oro Denoro Mine. Granby terminated mining operations at Phoenix in 1976 and later dismantled and moved the Phoenix mill. The property later fell under the ownership of Noranda through the purchase of the assets of Granby Corporation.

No significant work was done on the property until 1981 when Noranda optioned the Phoenix property to Kettle River Resources Ltd., who carried out an exploration program focused on the precious metal potential of the property. A drilling program re-discovered the Sylvester K zone in 1983. Noranda elected to participate in continuing exploration during 1984-1985 and continued drilling of the Sylvester K occurrence and other anomalies found during the course of geological, geophysical, and geochemical surveys.

In 1987, Skylark Resources attempted to mine the Sylvester K zone but abandoned the operation after mining and unsuccessfully processing only a few hundred tons of ore.

During 1989-1990, Kettle River Resources Ltd. acquired outright ownership of the present property from Noranda. Battle Mountain (Canada) Inc. optioned the property from Kettle River Resources Ltd. and conducted a program of reconnaissance geological mapping and sampling during the early portion of the 1990 field season. This work was subsequently expanded to a larger program including establishment of a survey-controlled grid over the southwestern portion of the property around the Phoenix mine workings, with cut and flagged cross lines at 100 metre intervals. A magnetometer survey and geochemical soil survey over the entire grid was followed by detailed geological mapping of a portion of the grid at a scale of 1:1250. Drilling programs were completed during both 1991 and 1992. (Caron, 1992).

Battle Mountain dropped the option on the property late in 1992. Apart from a program to test the potential of recovering gold from the old Phoenix tailings, no work was done on the property until 1997, when Echo Bay acquired the property as part of a joint venture with Kettle River Resources Ltd. covering a larger land package in the Greenwood area. In the summer of 1997, the drilling program described in this report was completed.

#### 2.4 Summary of Current Work Program

Ten NQ diamond drill holes were drilled from July 21 to August 15, 1997, for a total of 3,466 feet. Drilling was done under contract by Bergeron Drilling of Greenwood, B.C.. Core was logged and sawed for sampling at Kettle River's core facility at Boundary Falls and is currently stored at this facility. Logging and drill hole set-up and supervision was L. Caron of Kettle River Resources Ltd. and M. Rasmussen of Echo Bay Minerals. Core was sawed by N. Braam. A total of 28 core samples were collected and sent to Custom Analytical Services in Republic WA for preparation and gold assay. Logging and sampling of drill core, plus plotting of drill sections was done between July 23 and September 10, 1997.

### 3.0 GEOLOGY AND STRUCTURE

The Greenwood area has been mapped on a regional basis by Fyles (1990), and prior to this, by Little (1983) and Church (1986). Fyles' mapping shows the pre-Tertiary rocks form a series of thrust slices, which lie above a basement high grade metamorphic complex. A total of at least five thrust slices are recognised, all dipping gently to the north, and marked in many places by bodies of serpentine. Fyles' interprets these serpentinite bodies as representing part of a disrupted ophiolite suite, belonging to the Knob Hill Group of late Paleozoic age. Commonly, these serpentinite bodies have undergone Fe-carbonate alteration to listwanite, as a result of the thrusting event.

The oldest rocks in the camp belong to the late Paleozoic Knob Hill Group of dominantly volcanic affinity, and consist mainly of chert, greenstone and related intrusives, and serpentine. Unconformably overlying these rocks are sediments and lesser volcanics (largely argillite, siltstone, limestone and andesite) of the late Paleozoic Attwood Group. Rocks of the Knob Hill and Attwood Groups are unconformably overlain by the Triassic Brooklyn Formation, represented largely by limestone, clastic sediments and volcanics and pyroclastics. The historically important skarn deposits in the Greenwood area (i.e. Phoenix, Oro Denoro, Motherlode-Greyhound) are hosted within the Triassic rocks.

Three separate intrusive events are known regionally to cut the above sequence, the probable Jurassic aged Lexington porphyry, the Cretaceous Nelson intrusives, and the Eocene Coryell dykes and stocks. Tertiary sediments and volcanics unconformably overly the older rocks with the distribution of these Tertiary rocks largely controlled by series of north-south trending faults which form the Toroda Creek graben in the western portion of the map area, and the Republic graben in the east. Regionally, at least three distinct Tertiary fault sets are recognized, an early gently east dipping set, a second set of listric, normal, detachment type faults, with gentle west dips, and a late set of steep, north to northeast trending faults.

The Phoenix property is underlain by rocks of the Triassic Brooklyn Formation sitting unconformably upon Permian Knob Hill Group cherts and greenstones, and located in the uppermost thrust slice in the Greenwood Camp. The Brooklyn Formation consists of an interfingering sequence of chert breccia (sharpstone) and fine clastics, limestone and limestone breccia, and volcanics (greenstone, pyroclastics and subvolcanic microdiorite). Two distinct units of sharpstone conglomerate are recognized in the Phoenix area, commonly separated by a thick section of massive limestone (the Brooklyn limestone). Most of the mineralization discovered to date in the Phoenix area is skarn type copper (+ gold) developed in the sharpstone conglomerate (both in the upper and lower units). At the Sylvester K prospect, massive pyrite and pyrrhotite, typically grading about 0.25 oz/t Au occurs essentially at the contact between the Brooklyn limestone and the underlying lower sharpstone. The mineralized zone strikes at about 020°, with a near vertical to steep east dip. Footwall to the massive sulfides is a section of fine sulfidic volcanic siltstone which can average in the order of 0.3 oz/t Au. Where the entire massive sulfide horizon and underlying footwall rocks have been intersected uncomplicated by faulting, the mineralized zone ranges up to 40 feet in thickness. The horizon can be traced on strike for about 500 feet near surface, although the zone narrows in thickness at the north and south ends. The origin of the mineralization is much debated. Mineralization is consistent with a volcanogenic massive sulfide model, but may also be explained by a distal skarn model or manto type, related to the Phoenix deposit. While the area is very complicated by faulting, none of these faults appear to be controlling mineralization. In any case, mineralization is stratigraphically controlled, and the stratigraphy is characteristic and recognizable.

The type section in the Sylvester K area is shown in Figure 3. A very characteristic, repeatable sequence is recognized in drill core, from the overlying massive Brooklyn limestone, downwards through a sequence of detrital chert, cherty limestone and limey sediments, and interbedded limestone, through the Sylvester K massive sulfide horizon with a fine sulfidic volcanoclastic footwall, into a coarsening downwards sequence of clastics (siltstone, sandstone and conglomerate). The above sequence may be cut by Triassic microdiorite, or by several types of Tertiary dykes (early feldspar +/- biotite porphyry dykes, later, typically pink, syenite dykes, or very late less common, hornblende porphyry dykes). The Tertiary dykes are largely flat lying and are controlled by a series of flat to gently west dipping faults, sympathetic to the underlying Snowshoe Fault, mapped by Fyles (1990) as belonging to the middle set of Tertiary structures.

**SYLVESTER K TYPE SECTION**

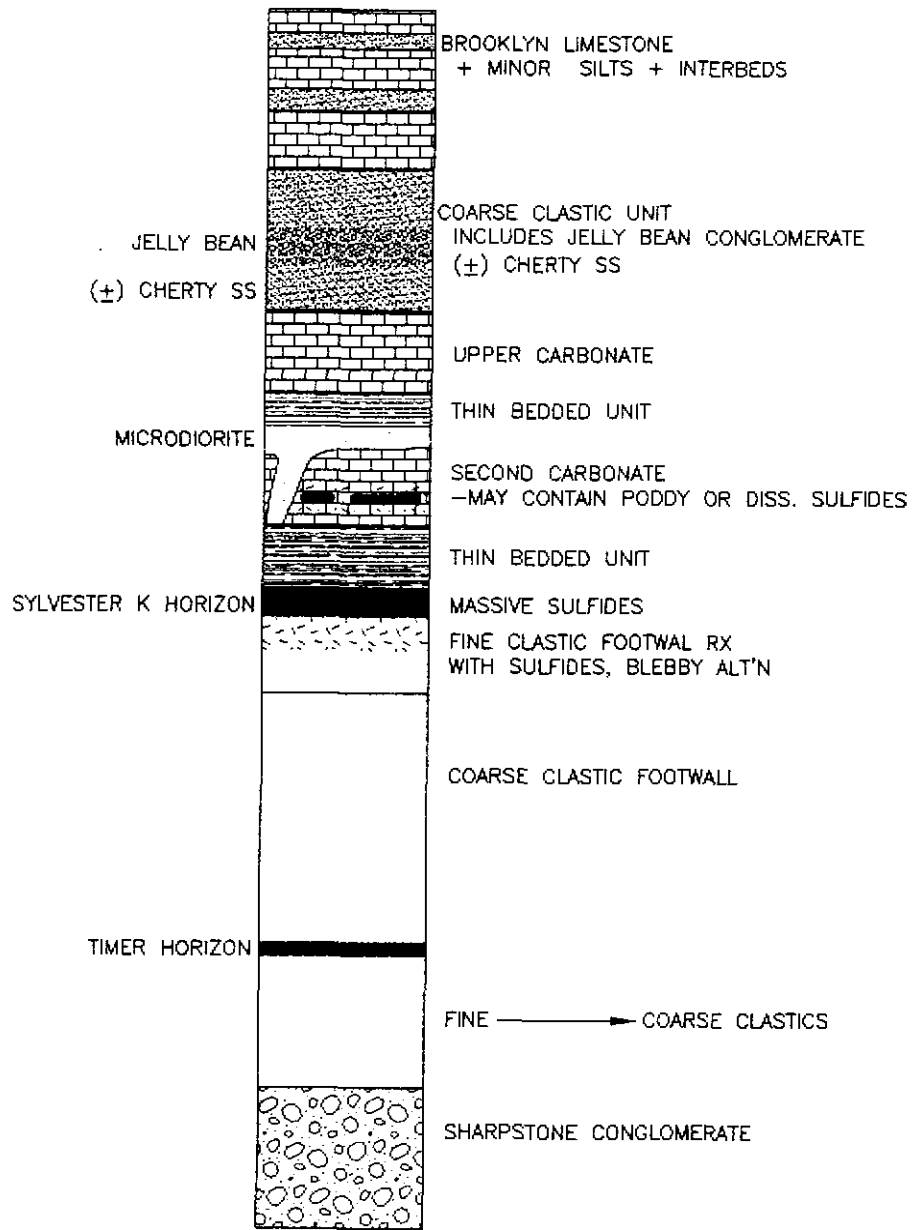


FIGURE 3. STRATIGRAPHY OF THE SYLVESTER K  
 PORTION OF THE LOWER BROOKLYN FORMATION,  
 MARSHALL LAKE AREA

ECHO BAY MINERALS  
 KETTLE RIVER  
 REPUBLIC, WASHINGTON

DATE	PREP BY	SCALE BY
7-16-87	LBK	S. BLOOD
		K. RASMUSSEN

#### 4.0 DRILLING

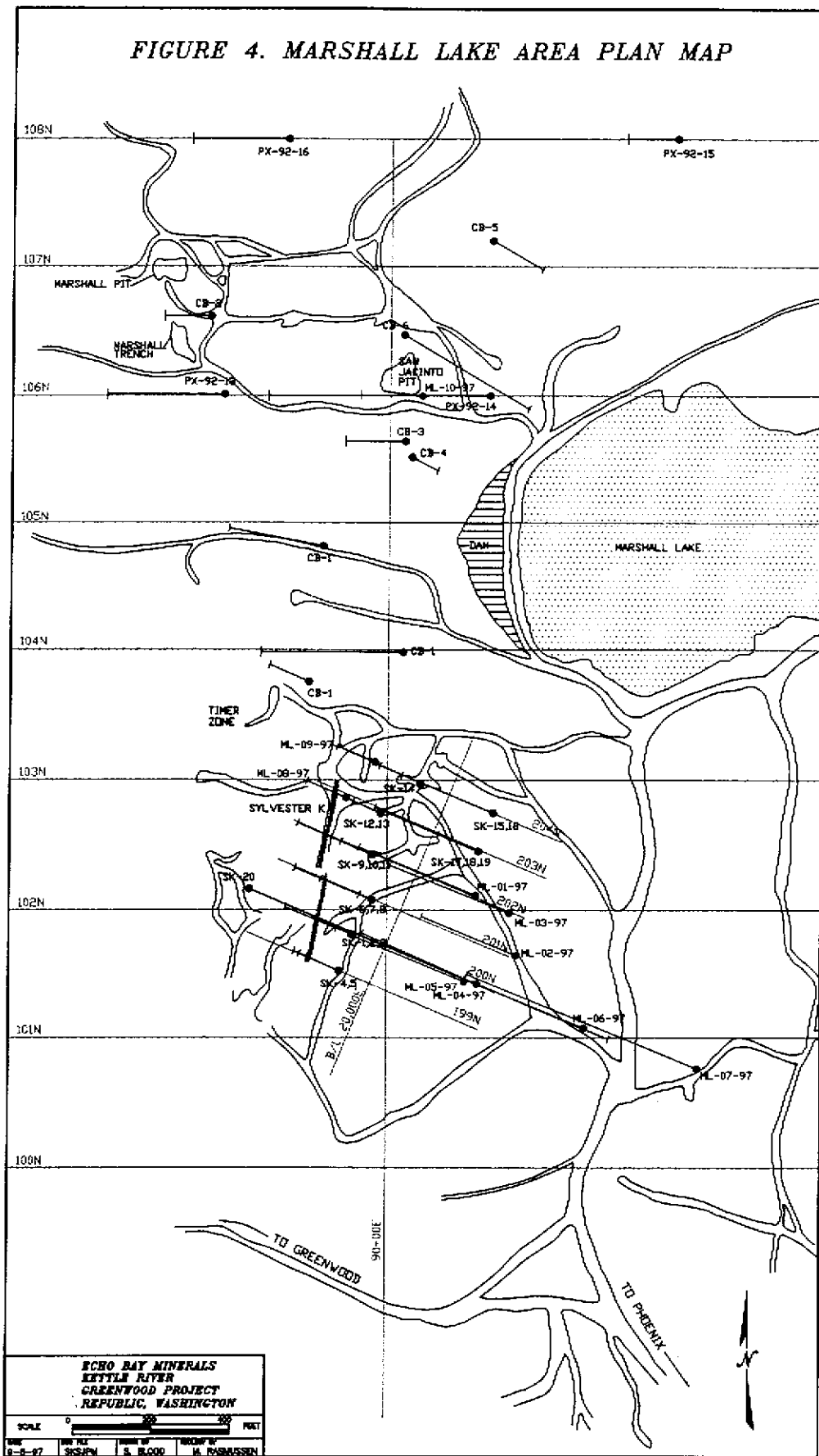
Ten holes were drilled during July and August, 1997 as detailed below. Drill hole locations are plotted on Figure 4 and logs are included in Appendix 1. Analytical results for core samples are contained in Appendix 2. A total of 3,466 feet were drilled, and 28 samples submitted for gold assay. Drill hole specifications and co-ordinates are tabulated below and holes ML-01-97 to ML-07-97 are plotted on sections included as Figures 5 - 7.

Drill Hole	Section	Syl K Grid Northing	Syl K Grid Easting	BMG Northing	BMG Easting	Azimuth	Inclination	Depth
ML-01-97	202N	202+00N	201+48E	102+14N	90+64E	290°	-40°	385'
ML-02-97	201N	201+00N	203+02E	101+71N	90+95E	290°	-60°	379'
ML-03-97	202N	202+00N	202+79E	102+00N	91+00E	290°	-45°	410'
ML-04-97	200N	200+00N	203+12E	101+38N	90+86E	290°	-45°	400'
ML-05-97	200N	200+00N	202+43E	101+47N	90+66E	290°	-40°	331'
ML-06-97	200N	200+00N	205+12E	101+17N	91+43E	290°	-45°	407'
ML-07-97	200N	200+00N	208+43E	100+68N	92+36E	290°	-45°	711'
ML-08-97	203N	203+00N	197+87E	102+82N	89+89E	290°	-45°	135'
ML-09-97	204N	204+00N	197+87E	103+14N	89+75E	290°	-45°	137'
ML-10-97	106+00N			106+00N		270°	-45°	171'

Compilation of previous drill data had suggested that 2 flat faults displaced stratigraphy at Sylvester K, the 100 Fault (about 100' below surface in the Sylvester K area), and the 400 Fault Zone, about 300' below this. Displacement appeared to be top to the west, with about 300 feet of movement on the 100 Fault, and an unknown amount on the 400 Fault. For the purpose of discussion, the panels have been named - the Sylvester K panel above the 100 Fault, which hosts the main Sylvester K trench and intersections drilled in 1983, the New York panel below this (between the 100 and 400 Faults), and the Brooklyn panel below the 400 Fault. Several hundred feet below the 400 Fault is the Snowshoe Fault, a regional, gently west dipping listric normal fault which has a similar top to the west sense of movement, and which places the Brooklyn Formation unconformably on Knob Hill Group rocks. The 100 and 400 Faults are thus sympathetic to this larger regional fault. The concept of the flat faulting and displaced panels of rock is most easily visualized in cross-section and the reader is referred to Figure 5 (Section 200N). Since the Sylvester K horizon is a stratigraphically controlled, and regardless of whether mineralization is related to the nearby skarns or represents a Triassic VMS deposit, it predates the flat faulting which offsets stratigraphy. As a result, the mineralized horizon should be present in offset panel of rock. The 1997 drill program was designed to test for the down dip, faulted offset to the Sylvester K horizon, to the east, in the New York and Brooklyn panels.

Drilling confirmed the presence of the 100 and 400 Faults, but revealed at least 3 later, vertical to steeply west dipping normal faults (with an unknown amount of strike-slip movement indicated on at least one of these faults). These later normal faults have the effect of bringing deeper panels closer to the surface to the east. As a result, the Sylvester K panel has been completely removed to the east, and the New York panel removed in part, so that by the time the eastern most steep fault (F1) is crossed, the New York panel seems to be completely removed (see Figure 5). Unfortunately, the 400 Fault zone which marks the base of the New York panel, is occupied largely by thick Tertiary dykes, and a large part of drilling was in these dykes. In the sections drilled, there appears to be little room left for the prospective horizon in the New York panel, due to the presence of these dykes. The prospective horizon was successfully intersected in the Brooklyn panel, uncomplicated by dyking or faulting, however was unmineralized where intersected.

FIGURE 4. MARSHALL LAKE AREA PLAN MAP



ECHO BAY MINERALS  
 KETTLE RIVER  
 GREENWOOD PROJECT  
 REPUBLIC, WASHINGTON

SCALE 0 100 200 FEET

DATE	DRAWN BY	CHECKED BY	PROJECT NO.
9-9-97	S. BLOOD	S. BLOOD	14

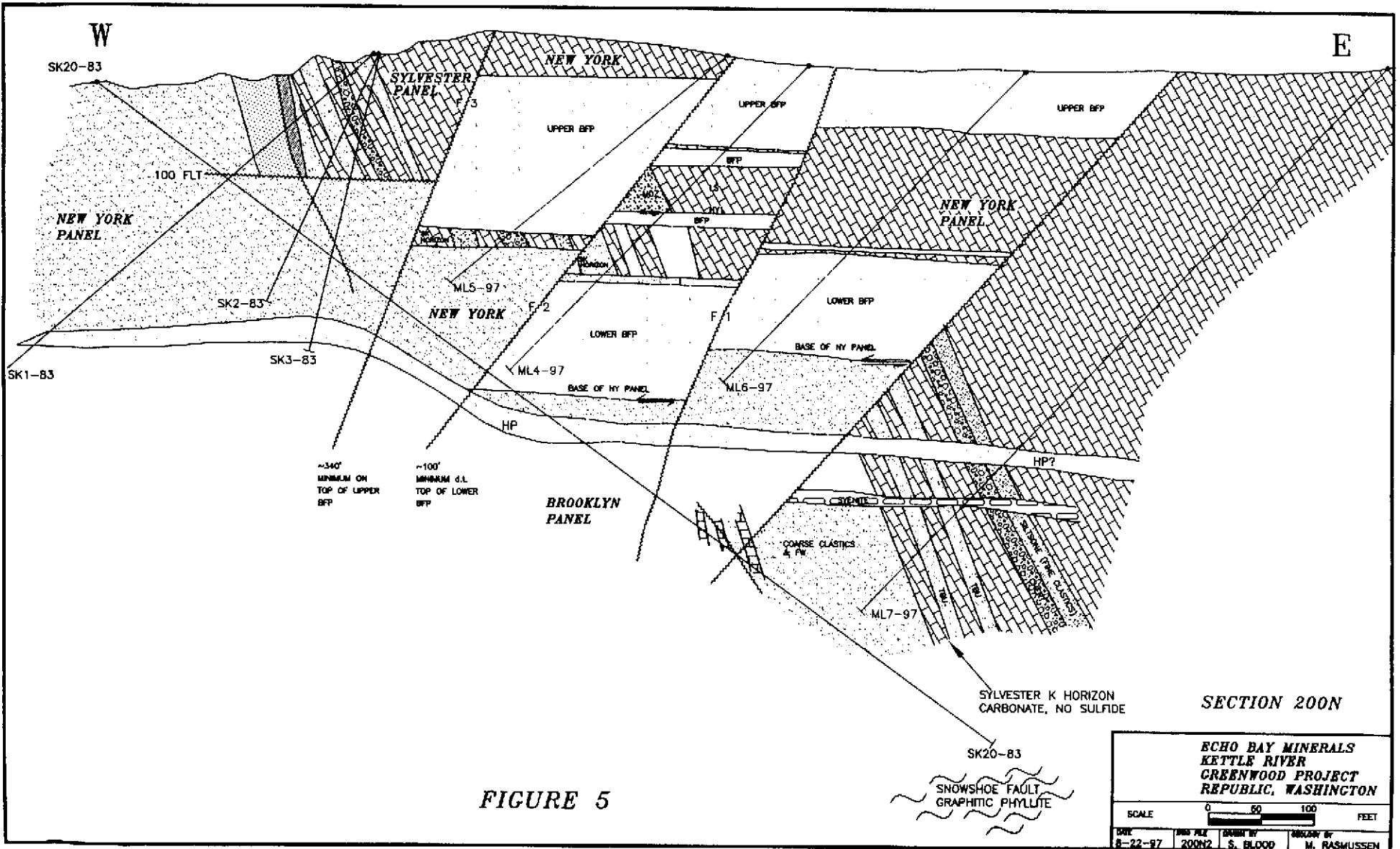


FIGURE 5

Holes ML-01-97 and ML-03-97 were drilled on Section 202N (Figure 7) to test for the on strike continuation of mineralization intersected in the New York panel during the 1983 drill program. At the time this was referred to as the New York zone and was not recognized as being the offset continuation of the Sylvester K horizon. Hole 1 collared to close to the surface showings, in the Sylvester K panel. The hole crossed the 100 fault before testing the critical horizon. Hole 3 collared about 110 feet further west, to test the zone in the New York panel below the 100 fault. Two thick Tertiary BFP dykes were intersected, between which Brooklyn limestone occurs. Faulting and dyking has eliminated the potential for intersecting the Sylvester K horizon in this area, however the Brooklyn panel, beneath the lower BFP dyke, remains prospective for the presence of the critical horizon.

ML-02-97 was designed to test the New York panel in Section 201N (Figure 6). The New York panel has been taken up almost completely by Tertiary BFP dykes in this section, with Brooklyn limestone intersected between the dykes. Hole 2 bottomed in coarse clastic rock, typical of the footwall to the Sylvester K horizon, after crossing a steep fault, with displacement down on the west. This suggests that the Sylvester horizon may occur to the east, below the lower BFP dyke in the Brooklyn panel. Additional drilling could be done to test this area.

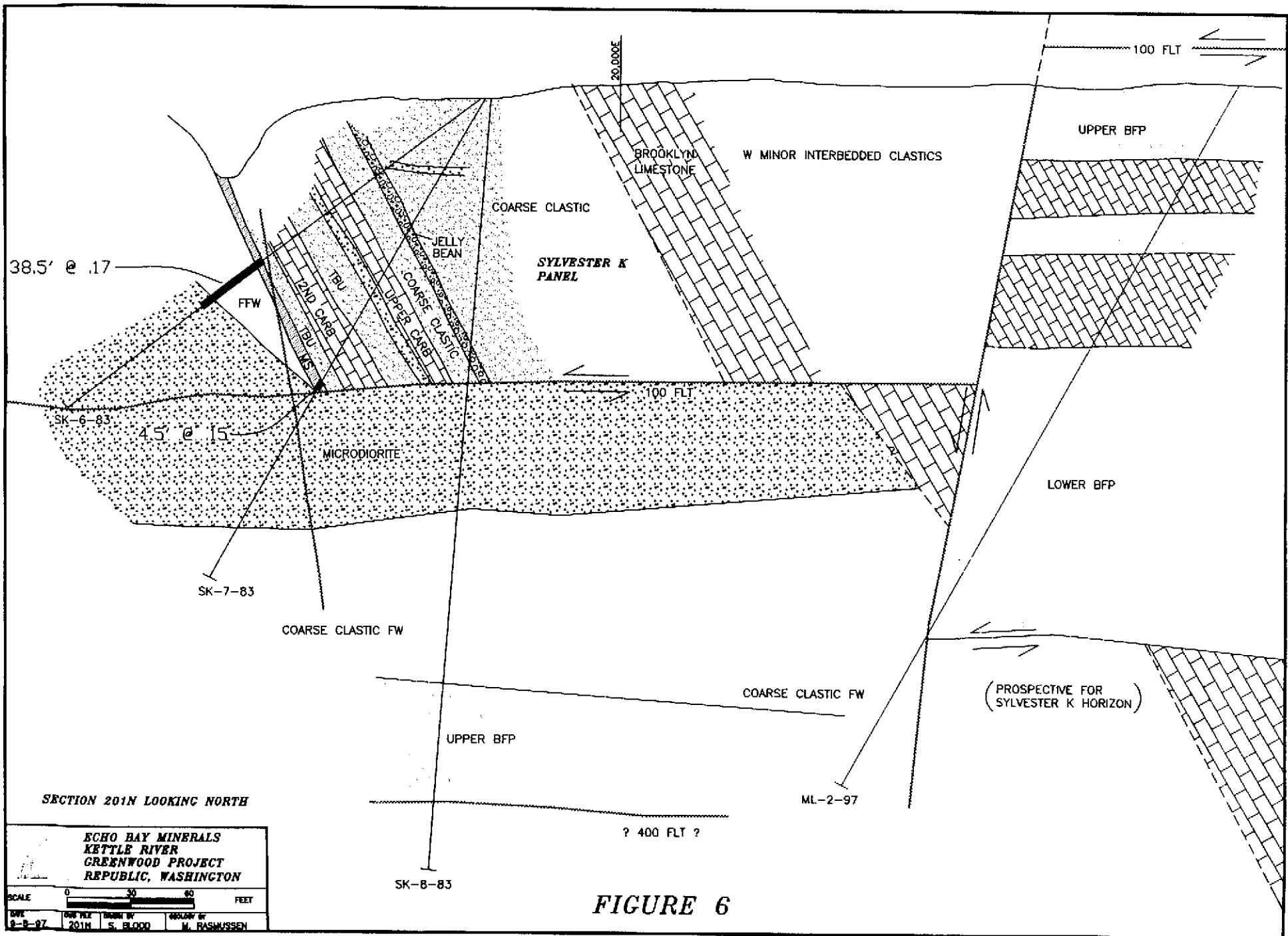
Holes ML-04-97 and ML-05-97 were drilled on Section 200N, where mineralization was best developed in the Sylvester K panel (see Figure 5). Hole 4 collared in the upper BFP dyke, about 500 feet east of the surface expression of the horizon, to test for mineralization in the New York panel. The characteristic limestone/clastic sequence overlying the Sylvester K horizon was intersected, however the lower BFP dyke was hit before the key horizon. Hole 5 was then collared about 100 feet further west, in an attempt to intersect the Sylvester horizon above this lower dyke. The presence of a fault is necessitated between these holes, due to the markedly different intersections of the BFP dykes. A north-south trending, moderately west dipping, normal fault is inferred (F2), which has a minimum of 100 feet of dip movement, and unknown displacement in a strike-slip direction. A second fault is also necessitated between Hole 5 and Holes SK-1-83, -2-83, and -3-83, because of the nature of the dyke. The abundance and thickness of dykes in the New York panel in this area suggests that this is a poor place to explore for mineralization along the Sylvester K horizon.

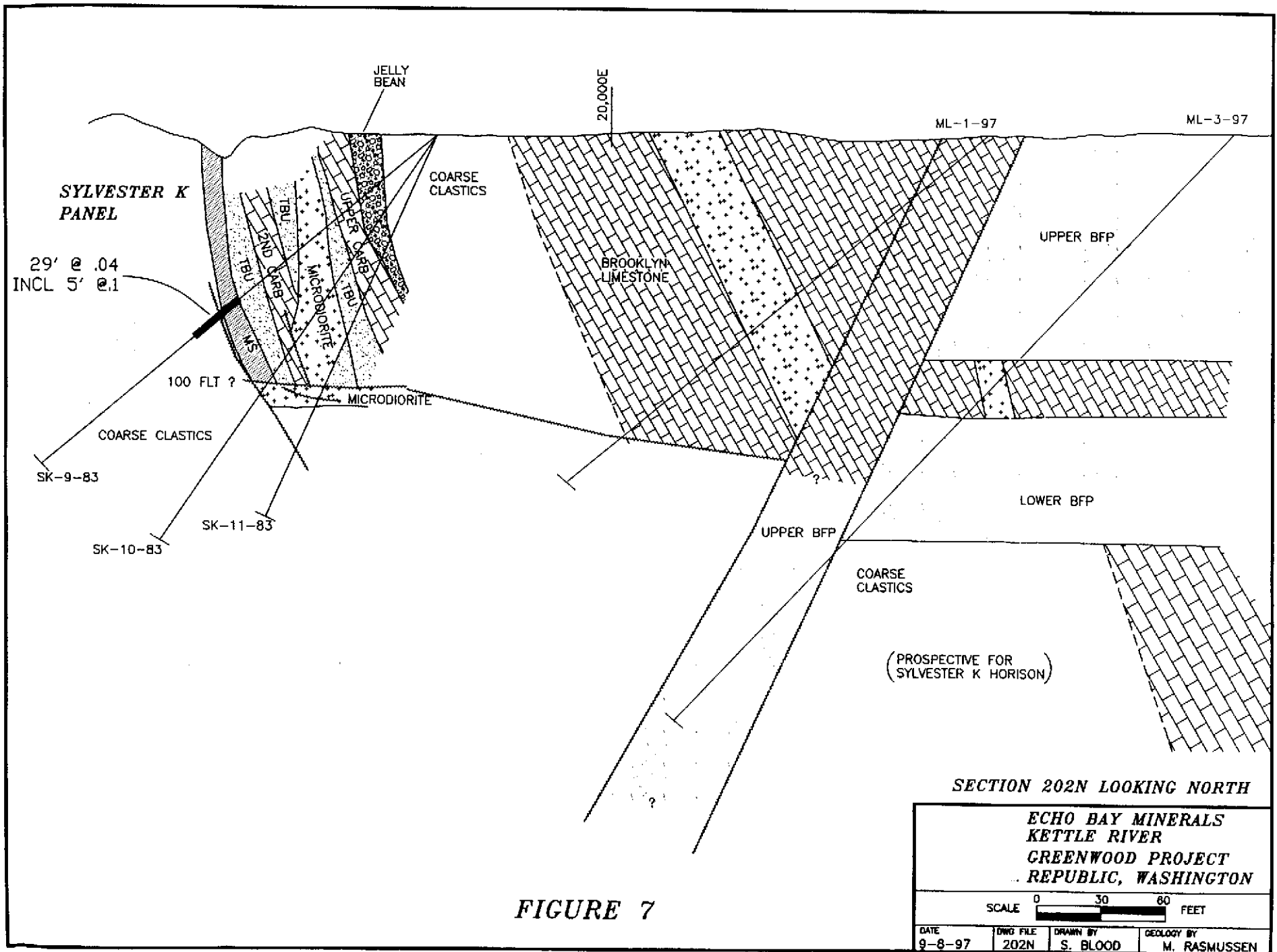
Holes ML-06-97 continued to test for the possible faulted continuation of the Sylvester K horizon at depth and to the east in Section 200N (Figure 5). Hole 6 confirmed that there appears to be little room left for the prospective horizon in the New York panel, due to the presence of dykes, however it was encouraging that a 6 foot section of interbedded limestone and tuffaceous sediments (with sulfides) which sits in the immediate hanging wall to the stratigraphic position of the "Sylvester K" horizon, averaged 0.115 oz/t Au. The potential for developing tonnage in Section 200 in this zone, or on the "Sylvester K" horizon, is however, restricted by faulting and dyking. Because of the unknown strike-slip movement on the faults, there may however be prospective ground to the south or north, and it is recommended to test the New York panel for mineralization on the Sylvester K horizon on Sections 198N, 199N and 205N.

Hole ML-07-97 was drilled to test the prospective horizon in the Brooklyn panel, below the 400 fault, and east of the road to Marshall Lake in Section 200N (see Figure 5). The entire Sylvester K stratigraphy was intersected in the hole, uncomplicated by dyking, however no sulfides were present on the prospective horizon. Potential exists for this horizon to be mineralized on strike and further drilling is recommended to follow the "Sylvester K" horizon in the Brooklyn panel both north and south of the section tested by ML-07-97.

Holes ML-08-97 and ML-09-97 tested for the northern extension of the Sylvester K horizon, in the Sylvester K panel, since previous drilling indicated that the zone may be open to the north. Both holes intersected major fault zones and failed to intersect the Sylvester K horizon above the 100 Fault.







**FIGURE 7**

Hole ML-10-07 was drilled to test the San Jacinto zone, in the same section as Battle Mountain's 1992 holes PX-13-92 and PX-14-92, to identify whether or not mineralization was situated at a similar stratigraphic position to the Sylvester K, and to test the zone above the flat fault which Battle Mountain's drilling had suggested was present. The San Jacinto (and nearby Marshall showings) consist of massive pyrite/pyrrhotite mineralization which grades in the order of 1 oz/t Au. Several hundred tons of production are reported from surface workings. Hole 10 failed to intersect mineralization, and did not intersect the same stratigraphic section seen at Sylvester K, implying a different style of mineralization at the San Jacinto (probably structurally controlled and related to a near surface flat to gently west dipping fault - the Marshall Fault). Several shallow vertical holes are recommended to test this structure for mineralization between the San Jacinto and Marshall workings.

## 5.0 CONCLUSIONS AND RECOMMENDATIONS

A ten hole, 3466 foot diamond drill program was completed on the Kettle River Resources Ltd.'s Phoenix 97 Group, in the vicinity of Marshall Lake, north of the old Phoenix pit. Drilling was done by Bergeron Drilling of Greenwood, B.C. during July and August, 1997. Funding for the program was provided by Echo Bay Minerals Co.

The program was designed primarily to test for the down dip, faulted offset to mineralization exposed in the Sylvester K trenches and tested by shallow drilling during the mid 1980's. The Sylvester K occurrence is stratigraphically controlled gold bearing massive sulfide deposit, with an auriferous sulfidic volcanoclastic footwall. It's origin is debatable, potentially related to the nearby skarns or possibly representing a Triassic VMS deposit, but in either case, stratigraphically controlled and predating Tertiary faulting.

Drilling confirmed that at least 2 flat faults displace the stratigraphy, the 100 Fault (about 100' below surface in the Sylvester K area), and the 400 Fault Zone, about 300' below this. Displacement is top to the west, with about 300 feet of offset on the 100 Fault, and an unknown amount on the 400 Fault. For the purpose of discussion, the panels have been named - the Sylvester K panel above the 100 Fault, which hosts the main Sylvester K trench and intersections drilled in 1983, the New York panel below this (between the 100 and 400 Faults), and the Brooklyn panel below the 400 Fault. Several hundred feet below the 400 Fault is the Snowshoe Fault, a regional, gently west dipping listric normal fault which has a similar top to the west sense of movement, and which places the Brooklyn Formation unconformably on Knob Hill Group rocks. The 100 and 400 Faults are thus sympathetic to this larger regional fault.

In addition to the offset on the 100 and 400 Faults, at least 3 later, vertical to steeply west dipping normal faults offset stratigraphy, and thus mineralization, (with an unknown amount of strike-slip movement indicated on at least one of these faults). These later normal faults have the effect of bringing deeper panels closer to the surface to the east. As a result, the Sylvester K panel has been completely removed to the east, and the New York panel removed in part, so that by the time the eastern most steep fault is crossed, the New York panel seems to be completely removed. Unfortunately, the 400 Fault zone which marks the base of the New York panel, is occupied largely by thick Tertiary dykes, and a large part of drilling was in these dykes. In the sections drilled, there appears to be little room left for the prospective horizon in the New York panel, due to the presence of these dykes. Because of the unknown strike-slip movement on the faults, there may however be prospective ground to the south or north, and it is recommended to test the New York panel for mineralization on the Sylvester K horizon on Sections 198N, 199N and 205N. The prospective horizon was successfully intersected in the Brooklyn panel, uncomplicated by dyking or faulting, however was unmineralized where intersected. Potential exists for this horizon to be mineralized on strike and further drilling is recommended to follow the "Sylvester K" horizon in the Brooklyn panel both north and south of the section tested by ML-07-97.

The final hole, Hole ML-10-07 was drilled to test the San Jacinto zone, to determine whether mineralization was situated at a similar stratigraphic position to the Sylvester K, and to test the zone above the flat fault which previous drilling had suggested was present. The San Jacinto (and nearby Marshall showings) consist of massive pyrite/pyrrhotite mineralization which grades in the order of 1 oz/t Au. Several hundred tons of production are reported from surface workings. Hole 10 failed to intersect mineralization, and did not intersect the same stratigraphic section seen at Sylvester K, implying a different style of mineralization at the San Jacinto (probably structurally controlled and related to a near surface flat to gently west dipping fault - the Marshall Fault). Several shallow vertical holes are recommended to test this structure for mineralization between the San Jacinto and Marshall workings.

## 6.0 REFERENCES

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**APPENDIX 1**  
**DIAMOND DRILL LOGS**





















Depth	Lith	RC	LITHOLOGIC DESCRIPTION	R0D	R0C	STRUCTURES Fractures/Faults	Ce	D00	Silica%					Alt Code	ALTERATION DESCRIPTION	MINERALIZATION DESCRIPTION	Min Code	Py	Ml	Hm	Po	Ep	Ap	S	Veins			thick	Au moz	Comments		
									Vn	PV	CH	Ag	Sd												Type	no/ft	ang					
105																																
110																																
115																																
120																																
125																																
130																																
135																																
140																																
145																																
150																																
155																																
160																																
165																																
170																																
175																																
180																																
185																																
190																																
195																																
200																																

sample

177-181

@ v low zone arg. FT zone



ECHO BAY MINERALS			Project		Dhd 111-03-97		Coord: N		Elev		Az		Incl		TD		Date		Logger		Page 3 of 5	
Depth	Lith	RC	LITHOLOGIC		STRUCTURES		Silica%		Alt	ALTERATION	MINERALIZATION	Min	Veins					Au	Comments			
			DESCRIPTION		Fractures/Faults		Cl	Si					Code	Code	py	mt	hm			po	cp	sp
192-201			Dark gray fine grained mafic fsp <sup>+</sup> chert chert																			
201-227			Typical med grained habed. fsp primary phase.																			
227-231			Dark gray fine grained, feldsp <sup>+</sup>																			
231-276			Coarse grained, med gray fsp habed phase bi after habed																			
276-278			fine grained muddy gray phre. chert zone																			
278-283			siltstone sandstone becoming quite coarse locally n.v. fine congl. minor det sp. weak epid all																			
283-288			fine grained brown sulfidic siltstone to blocky sulfidic silty siltstone																			
288-295			siltstone to blocky sulfidic silty siltstone																			
295-410			Faulted contact - no record																			

@ 227' fine @ silty siltstone to 4'

@ 257' silty siltstone foci @ 5' to 10'

268-273 weak K alt

278-295 weak epid

@ 295' fault zone

278-283

283-288

288-295

278-295 minor diss. 17.  
283-288 21 py - coarse chert por. to bedding + bunks to 3 mm w. sp, bleached rims













ECHO BAY MINERALS		Project Greenwood		Dhld 41CPS-97		Coord: N		E		Elev		Az 29.0 Incl - to TD 331'		Date		Logger MR		Page 1 of 4																					
Depth	Lith	RC	LITHOLOGIC DESCRIPTION	ROD	R/C	STRUCTURES Fractures/Faults	S	Silica%					Alt Code	ALTERATION DESCRIPTION	MINERALIZATION							Veins			Au	Comments													
								Si	Al	Fe	Ca	Ag			Sr	Code	py	mt	hm	pc	cp	ap	sl	Type			no/ft	ang	thick	moz									
5			Overburden																																				
6-78.5			Marble																																				
10																																							
15																																							
20																																							
25			gray, massive																																				
30																																							
35																																							
40																																							
45																																							
50			White, massive																																				
55																																							
60			App. beddy @ 45° to CA																																				
65																																							
70																																							
75			Apparent beddy at 45° to CA																																				
80			44.5-256																																				
85			BFP																																				
90																																							
95																																							
100																																							

45-70  
 - with irreg.  
 bands of  
 impure  
 ep-pz  
 altered  
 material  
 forms matrix  
 to limestone  
 soft-deformed  
 fragments

Fault contact  
 @ 60' to ch  
 90-90'  
 slicked  
 brack @  
 ave 45' to  
 ch



ECHO BAY MINERALS   Project			Dhld		Coord: N			E			Elev		Az		Incl		TD		Date		Logger		Page of						
Depth	Lith	RC	LITHOLOGIC DESCRIPTION		ROD	Rec	STRUCTURES		Silica%					Alt Code	ALTERATION DESCRIPTION	MINERALIZATION DESCRIPTION	Min Code	Incl							Veins			Au moz	Comments
			Fractures/Faults				Cl	Dsh	VE	PZ	Z	MS	MS					Code	py	ml	hm	po	sp	st	Type	no/ft	ang		
105			78.5-256																										
110			BFP																										
115																													
120																													
125																													
130																													
135																													
140																													
145																													
150																													
155																													
160																													
165																													
170																													
175																													
180																													
185			167'																										
190																													
195																													
200																													

110-130  
widely spaced  
slit-like  
frac's  
e ~ 0-30  
+ CA  
(some 30-50)

FH of 6" (or 15) to 9"

Fe-stained  
+++





ECHO BAY MINERALS			Project <u>GREENWOOD</u>		Dhkt <u>ML-6-97</u>		Coord: <u>N</u>		Elev		Az <u>290</u> Incl <u>45</u> TD <u>457</u>		Date <u>6/16/97</u>		Logger <u>JK</u>		Page <u>2</u> of <u>4</u>		
Depth	Lith	RC	LITHOLOGIC		STRUCTURES		Silica%		Alt	ALTERATION	MINERALIZATION	Min		Veins			Au	Comments	
			DESCRIPTION	Fractures/Faults	Fractures/Faults	Fractures/Faults	Fractures/Faults	Fractures/Faults				Fractures/Faults	Fractures/Faults	Fractures/Faults	Fractures/Faults	Fractures/Faults			Fractures/Faults
105																			
110																			
115																			
120																			
125																			
130																			
135																			
140																			
145																			
150																			
155																			
160																			
165																			
170																			
175																			
180																			
185																			
190																			
195																			
200																			

98-121'  
Massive to granular  
moderately re xill'd  
limestone

121-139'  
- Thin bedded to nodded  
limestone  
- minor black argillite  
interbeds

Black, thin bedded to  
argillite & chert  
conglomerate

144-168  
Massive, nodded  
Fragmental limestone  
w/ dk gray matrix

#C153  
45-4 CA

168-173  
Limestone gray, granular

173-194  
Limestone, thin bedded  
low argillite, with  
interbeds of gray  
granular limestone  
± 10 cm thick  
average beds @ 80 mCA

Pyritic laminae  
w/ black  
thinly bedded  
argillite units

194-204'  
SYENITE  
green ± Ca-seals  
of  
phos







ECHO BAY MINERALS		Project	Dhd	Coord:	N	E	Elev	AZ 280 Incl 45 TD 311										Date	Logger	Page	of																	
Depth	Lith	RC	LITHOLOGIC DESCRIPTION	RBD	Fig	STRUCTURES Fractures/Faults	Silica%						Alt Code	ALTERATION DESCRIPTION	MINERALIZATION DESCRIPTION	Min Code	R	M	Hm	D	S	sp	a	Veins			thick	Au moz	Comments									
							Si	Si	Si	Si	Si	Si												Type	no/ft	ang												
5			0-5 Overburden																																			
10	+		5'-102'																																			
15	+		BFP,																																			
20	+		Variably populated																																			
25	+		z fsp vi. bt phos,																																			
30	+		generally variable																																			
35	+		C.I. values																																			
40	+		sq. 8-12.																																			
45	+																																					
50	+																																					
55	+																																					
60	+																																					
65	+																																					
70	+																																					
75	+																																					
80	+																																					
85	+																																					
90	+																																					
95	+																																					
100	+																																					

FH  
100' 21'

100' 100'





ECHO BAY MINERALS		Project	Dmd	Coord: N	E	Elev	Az	Incl	TD	Date	Logger	Page	of													
Depth	Lith	RC	LITHOLOGIC DESCRIPTION	ROD	Re	STRUCTURES	Silica%	Alt	ALTERATION DESCRIPTION	MINERALIZATION DESCRIPTION	Min Code	Py	Ml	Hm	Ps	Gp	Sp	Si	Veins	Type	no/ft	ang	thick	'Au	moz	Comments
						Fractures/Faults	Dio	VE	PR	CN	Ag	Zn	Code													
205			197-206 SYENITE grain = 1/8" lath																							
210			206-245 LIMESTONES																							
215			- thin-bedded																							
220			- gray to black,																							
225			- rhythmic bedding,																							
230			- mm-scale lamination etc.																							
235			As above																							
240																										
245																										
250			245-240 CLAST-SUPPORTED FRAGMENTAL LIMESTONES																							
255			- fragments range from rounded, oolitic clasts																							
260			in carbonate (finely recrystallized matrix)																							
265			+ angular, broken features resembling in situ brecciation.																							
270			- Matrix is sulfide (py) in last part of interval (197-180')																							
275																										104-0551
280			280-296' Thin bedded, greenish CHERT																							270-275
285			v. sulfidic, = 5% pt																							104-0552
290																										275-280
295																										104-0553
300			296-299' Felsic, coarse grained intrusive rock (sp. ph. pl. phos)																							280-285
																										104-0554
																										285-290
																										104-0555
																										290-295
																										104-0556
																										295-300

same  
and  
CA

Matrix is  
generally  
dark gray  
carbonate.  
Clasts are  
white,  
but pattern reverses  
from 260'-270'

≈ 5% Pt

strong  
sericitic  
alter.

≈ 2% Pt

























**APPENDIX 2**  
**ANALYTICAL RESULTS**

CUSTOM ANALYTICAL SERVICES  
 O. Box 722 \* 101-4 Hwy 21 So.  
 public, WA 99166  
 09) 775-3885

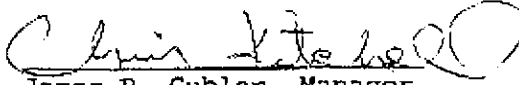
ECHO BAY MINERALS (1362)  
 2251 W KETTLE RIVER RD.  
 CURLEW, WA 99118  
 ATTN:MIKE RASMUSSEN  
 ATTN:DAN HUSSEY

August 4, 1997 R71431  
 TEST FOR: Au  
 METHOD: FIRE  
 TEST: ASSAY  
 RESULTS IN: oz/ton

4:201	.002
4:202	.003
4:203	<.002
4:204	.007
4:205	<.002
4:206	.004
4:207	.003
4:208	.002
4:209	.003
4:210	.005
4:211	.008
4:212	.006
4:213	.004
4:214	<.002
4:215	.004
4:216	.005
4:217	.003
4:218	<.002
4:219	.002
4:220	.004
4:221	.003
4:222	<.002
RESUS-97-1	<.002
4:220 PULP DUP	.005
RESUS-97-1 DUP	<.002
K STANDARD	.148
LICA BLANK	<.002

## CHARGES

TOTAL CHARGES \$0.00

  
 James P. Gubler, Manager

CUSTOM ANALYTICAL SERVICES  
P O. Box 722 \* 101-4 Hwy 21 So.  
public, WA 99166  
(509) 775-3885

ECHO BAY MINERALS (1362)  
2251 W KETTLE RIVER RD.  
CURLEW, WA 99118  
ATTN:MIKE RASMUSSEN  
ATTN:DAN HUSSEY

August 26, 1997 R71562

TEST FOR: Au  
METHOD: FIRE  
USED: ASSAY  
RESULTS IN: oz/ton

104:223	.012	
104:224	.108	
104:225	.122	
104:226	.006	
104:227	.008	
104:228	.006	
WR:97-1	.037	Wild Rose

CHARGES

TOTAL CHARGES	\$0.00
---------------	--------

*Chris Kitchell*  
James P. Gubler, Manager



CUSTOM ANALYTICAL SERVICES  
P.O. Box 722 \* 101-4 Hwy 21 So.  
Republic, WA 99166  
(509) 775-3885

ECHO BAY MINERALS (1362)  
2251 W KETTLE RIVER RD.  
CURLEW, WA 99118  
ATTN:MIKE RASMUSSEN  
ATTN:DAN HUSSEY

August 26, 1997 R71562	
TEST FOR:	Au
METHOD:	FIRE
USED:	ASSAY
RESULTS IN:	oz/ton
104:223	.012
104:224	.108
104:225	.122
104:226	.006
104:227	.008
104:228	.006
WR:97-1	.037

*Wild Rose*

CHARGES

TOTAL CHARGES	\$0.00
---------------	--------

*Chris Kitchell*  
James P. Gubler, Manager

**APPENDIX 3**  
**COST STATEMENT**

## COST STATEMENT

### LABOUR

M. Rasmussen	20 days @ \$300/day	\$ 6,000.00
L. Caron	10 days @ \$250/day	2,500.00
N. Braam	2 days @ \$100/day	<u>200.00</u>
		\$ 8,700.00

### DRILLING

Bergeron Diamond Drilling		
3466 feet @ \$14.00/ft		\$ 48,524.00
reclamation, site prep, mobilization, core boxes		<u>1,478.00</u>
		\$ 50,002.00

### ANALYTICAL COSTS

Custom Analytical Services, Republic WA - Au assay		
28 core samples @ \$16.00 (including shipping)		<u>\$ 448.00</u>
		\$ 448.00

### SUPPLIES AND TRANSPORTATION

General field supplies (bags, etc)		\$ 100.00
Vehicle rental 20 days @ \$50/day		1,000.00
Fuel		100.00
Office expenses		<u>150.00</u>
		\$ 1,350.00

**TOTAL: \$60,500.00**

**APPENDIX 4**

**STATEMENT OF QUALIFICATIONS**

## STATEMENT OF QUALIFICATIONS

I, Linda J. Caron, certify that:

1. I am an exploration geologist residing at Bubar Road (RR #2), Rock Creek, B.C.
2. I obtained a B.A.Sc. in Geological Engineering (Honours) in the Mineral Exploration Option, from the University of British Columbia (1985).
3. I graduated with an M.Sc. in Geology and Geophysics from the University of Calgary (1988).
4. I have practised my profession since 1987 and have worked in the mineral exploration industry since 1980.
5. I am a member in good standing with the Association of Professional Engineers and Geoscientists of B.C. with professional engineer status.
6. I am employed by Kettle River Resources Ltd. as an exploration geologist.

  
\_\_\_\_\_  
Linda Caron, P. Eng

*Nov 19/97*  
\_\_\_\_\_  
Date

