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Roddy Resources Bighorn

See AGS Guidebook

sec. 34 T4N R7W

Spring, 1988

J/13 Spring 1988

Roddy - Captain

DLK

JD

GEORGE CROSS NEWS LETTER NO. 64(1985)

PAGE THREE

APRIL 1, 1985

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* NO.64(APRIL 1, 1985)

* GEORGE CROSS NEWS LETTER LTD.

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*

ASARCO

Exploration Department
Southwestern United States Division

August 5, 1985

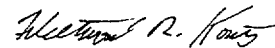
Mr. Walter R. Cullum, President
Roddy Resources, Inc.
200-1055 West Hastings Street
Vancouver, B.C., Canada V6E 2E9

Bighorn Project
Maricopa Co., AZ

Dear Mr. Cullum:

Thank you for the data sent in June on your Bighorn Property. At this time with present data we do not wish to become involved, but should you develop additional drilling or sampling data we might reconsider the project. Mr. Belik should be congratulated on an excellent set of maps. Thank you again for answering a number of my questions over the phone.

Very truly yours,



Fleetwood R. Koutz
Geologist

FRK:mek

cc: J. D. Sell

Big Horn Property (Hauxhurst) - Roddy Resources, Maricopa Co., AZ (1 field day)
Owners claim 565,000T @ .09 opt Au open pit (3:1 w/o) from 9840' drilling
in 35 holes and underground sampling. Examination of present data suggests
maximum of 150,000-200,000T @ .09 opt Au, although possibly 500,000T @
+.02 opt (.03-.05 opt). Fair potential for another 1/2 million tons .01-.04
opt Au along structure incompletely drilled. Mineralized zone is a vertical
set of jasperoid veins and silica stockwork, offset by en echelon high and
low angle faults. Mineralization associated with diorite dikes into
Tertiary volcanics near Precambrian gneiss contact. Roddy wishes to vend
40% interest for \$1.3 million so that they can drill property out, do heap-
leach test (mineralization includes 0.1-0.6% Cu) buy equipment and operate
I do not think this is a good geological bet for the size.

September 24, 1985

To: J. D. Sell

From: F. R. Koutz

Bighorn Property (Hauxhurst-US)
Roddy Resources
Big Horn Mts. District
Maricopa Co., AZ

Summary

Roddy Resources claims some 565,000 T @ .09 opt Au open-pit (55-60° slope, 3.5:1 w/o), heap-leachable, from 9840 feet of drilling in 35 holes and underground sampling. Examination of the present data suggests maximum of 175,000-300,000 T @ .08 opt Au, although possibly 500,000 T @ .02-.05 opt Au is present. There is fair potential for another 1/3-1 million total tons @ .01-.04 opt Au along structure to North and possibly South incompletely drilled.

Mineralization on the surface is quite impressive, characterized by vertical sets of hematite-goethite ± chrysocolla-stained jasperoid veins and silica stockwork discontinuous over 4000 feet of strike length and up to 150 feet wide but reportedly considerably narrowing in width at ±600 feet maximum depth. The zone is offset by en echelon high and low-angle faults. Mineralization is associated with diorite and also possibly rhyolitic dikes into a Tertiary ash flow tuff-laharic sequence near a Precambrian gneiss contact--a caldron margin environment. There is limited, although more obscure, usually covered deeper potential in the district mostly off Roddy's 10 patented and 12 unpatented claims.

Roddy wishes to vend 40% interest for \$1.3 million so they can drill (including underground) the property out (including hunt for water), do heap-leach tests (mineralization includes 0.1-0.6% Cu), buy equipment, operate by themselves and otherwise run up their stock. While the property certainly deserves follow-up drilling, Roddy has begun to emphasize the slightly higher grade (still <.15 opt Au)--lower tonnage potential underground. If Roddy does not get a joint venture partner, they plan to raise additional capital overseas. For the potential size and grade of the property I do not think becoming involved is a good geological bet, but the property should be kept track of and a district reconnaissance is justified.

Background

This property, the former Hauxhurst or U.S. Mine of 10 patented "Furlough" claims and 10 unpatented lode claims, about 25 air miles SW of Wickenburg came to my attention in July 1984 from a VSE Statement of Material Facts forwarded by our Vancouver Office. The mineralized zone had some 28 sample cuts over 10-60' widths averaged 0.06 opt Au over the best part with potential

strike length of 4500 feet, widths to 130 feet and a maximum of 600 feet depth. A review of our files confirmed the production of some 4500 T of 0.13 opt Au with .67% Cu. With silica flux and the potential for +2 m.t. of .05-.1 opt shallow-open-pit Au. Through Bob Gale, I was able to contact Dave Taylor, V.P. of Roddy in Kamloops, B.C., who enthusiastically gave me additional information including concurrent drilling results and said that Gary Belik, project geologist /consultant, would get in touch with me. Mr. Taylor suggested that I wait for all drilling and assaying to be completed before visiting the property. The attached ERS summarizes data on the property as of July 1984.

Mr. Belik never called or returned my calls. In the fall Mr. Taylor indicated that continued drilling along strike had failed to confirm the initial results and that Roddy was going to refurbish, sample and long-hole the old underground workings to follow up some of the higher-grade intercepts that winter. Mr. Taylor was to send (but didn't) a data package if they decided to look for a partner.

In response to 4/1/85 and 12/19/84 announcements in the George Cross News Letter, and several March/April promotional announcements by Roddy forwarded via our Toronto office, you asked that I visit the property on my next tour through the area. The property was also on Hank Kreis' list of high priority areas to visit. The announcements claimed probable reserves @ 565,000 T grading .09 opt Au with additional target zones potentially hosting and $\frac{1}{2}$ -1 $\frac{1}{2}$ m.t. @ .05-.1 opt Au, and that Roddy wanted a JV partner. I again contacted Mr. Taylor who promised the data package. A week later the President of Roddy, Walter Cullum, called filling me in on drilling/sampling results and promised maps and data by next courier which did not arrive before I left to visit properties in the Prescott-Wickenburg area. I visited the property for some 10 hours on June 17 with the Xeroxed prospectus maps and confirmed that some 35 mostly angle holes had been drilled, and I was quite impressed with the potential of the property. I took some 25 samples of cuttings at the collars and from sample bags stored on the site for Au, Ag and Cu assay (Skyline TAJ 430) with 3 E-specs (attached).

A partial data package arrived (after drafting, secretarial and customs problems were solved) while I was gone and Mr. Cullum was very helpful in sending additional data and in answering questions. I have spent about 2 days carefully coloring out and studying the excellent geochemical, mapping, assay, but poorly documented ore-reserve submittal data.

Unfortunately, the drill hole assays, as Mr. Taylor had stated last fall, only partially confirmed about 1/3 of their tonnage at .09 opt Au although there might be 1-1 $\frac{1}{2}$ m.t. @ .01-.04 opt Au. Mr. Cullum could not tell me exactly how the reserves were calculated, but it appears that Mr. Belik extrapolated the higher rather than average drilled or sampled grades into potentially mineralized ground not yet tested by drilling.

Mr. Taylor and Mr. Cullum said that Roddy was looking for a passive joint venture partner to put up \$1.3 million (US) cash for 40% of the property--initially over the next year at least \$300,000 to finance pilot plant heap-leach tests (\$50,000), additional surface and UG drilling (\$170,000) and if successful \$80,000 of feasibility-permitting-legal work, etc. The remaining \$1 million was for capital plant and equipment to start up with Roddy the operator. If Roddy does not get the additional \$300,000 they need for 1985-86 work, they plan to raise the funds by additional stock offerings probably in Britain or Australia. Mr. Cullum offered to have the Roddy "negotiating crew," including Mr. Belik to explain his reserves, fly down--which I declined. After discussing the property with you, I wrote Mr. Cullum August 4 that we were not interested in the property at present but would like to review additional data developed.

You will note in the VSE Statement of Material Facts #57/84 that Roddy is optioning the property from E.D. Black, Parker, Colorado; has made \$115,000 cash payments to date and needs to spend \$250,000 by 12/31/86 to retain the property (they are probably up to date: \$100,000 by 12/31/85). They need to pay \$165,000 and spend \$400,000 by 12/31/87 to get 51%. Black's 49% can be converted to 5% NSR. There is an underlying 2% NSR to \$200,000. G.D. Belik has also collected 15,000 shares of a possible 50,000 (85¢) shares as a finder's fee. Louisiana Land and Exploration is apparently the underlying owner.

Geology

The Big Horn Property is on the northern flank of the Big Horn-Belmont Mountains. The low range consists of Precambrian Yavapai schist, gneiss and granites covered by probable Laramide to possibly Middle Tertiary andesite to rhyolite breccias and ignimbrites. Access (± 2 WD) is probably best from the east via Tiger well, Scott Mine and Adobe well rather than U.S. tank on the north. A prominent though discontinuous hematitic-jasperoid-spined ridge with up to 200 feet of relief and up to 300 feet wide extends almost a mile N-S through the property and is the locus of low-grade-disseminated gold mineralization of interest.

Some 500 to 1000 feet west of the "ore" ridge, the Precambrian crops out consisting of leucocratic pink-feldspar augen and hornblende-biotite gneiss with schistose phases. The Precambrian contains considerable chlorite and epidote. The Precambrian is overlapped from the east by a series of moderately E to NE-dipping Tertiary (Laramide (?) to Mid Tertiary (??) rhyolitic to andesitic volcanics. The volcanics are mostly tuffs, often welded, but also include breccias, lava flows, laharic material, all intruded by diorite to rhyolite dikes and sills. Diorite or diabase dikes are especially common along and to the east of the jasperoid ridge. Strong silicification and hematite obscures the original host rock identity of most of the silica ridge--it is mainly volcanics and breccias, but also may contain rhyolite dikes.

Outcrop is fair: about 80% of the ridge is covered by talus and dumps. Slightly less of the volcanics and Precambrian away from the ridge is covered but contact relationships are still poor. To the south and north Late Tertiary-Quaternary

consolidated conglomerates and unconsolidated alluvium cover the pediments and fill many arroyo channels.

The major contact between the Precambrian and the volcanics is a vertical $\pm 15^\circ$ (averaging 80°E) fault or fault zone down to the east, although outliers (or intrusives ?) were noted over the Precambrian to the west of the ridge. High angle, mostly east-west striking faults locally offset the jasperoid ridge up to 800 feet in a right-lateral en echelon pattern. An E-W, $30\text{-}50^\circ$ south-dipping fault noted in outcrop and apparently in the drilling and underground offsets mineralization a few tens to several hundred feet. A SE dipping low-angle fault also offsets the South Adit zone mineralization. Late Tertiary low-angle structures (often with listric normal rotation) are apparently common in the region (e.g., Vulture Mine - 14 miles NE).

Although I didn't have them available in the field Mr. Belik's 1"=200' outcrop plan map (without topography) and 1"=100' plan/drill hole maps with 1"=40' cross sections appear to depict the geology very accurately. Except for mapping intensely silicified vein/breccia and the intervening-haloing stockwork quartz-hematite veinlet zone with generally kaolinized interstitial fragments, Mr. Belik did not map any other alteration/mineralization phenomena. Most of the mafic minerals are extensively chloritized with lesser epidote, minor pink K-feldspar flooding and minor late brown to white carbonate--all of which increase toward the ridge and are locally prominent in a few poorly silicified fissure zones away from the ridge. Minor amounts of what is probably alunite were noted in the stockwork veinlet zones. Iron oxide mostly hematite after goethite-jarosite-pyrite-mafic minerals ranges from 3-25% and averages 10-15% in the best Au-Cu mineralized zones.

The jasperoid ridge zone consists of 1-4 parallel discontinuous veins or jasperoid breccia ribs up to 30 feet wide with stockwork quartz veinlets-breccia in between and surrounding the more silicified ribs. The silica ribs when in pairs superficially appear to be contact alteration of an intrusive. The silica, often multiply brecciated, locally contains up to 20% angular vugs filled with drusy often white to clear quartz veinlets. The surrounding argillized-sericitized wallrock is also laced with several stages of these stockwork quartz veinlets. The jasperoid zones often show strong slickensides along their margins with up to several feet of hematitic gouge along which previous mining was often concentrated. Diabase-diorite dikes are often well argillized, chloritized and soaked with hematite and appear to concentrate up to several percent oxide copper minerals: chrysocolla, malachite and tenorite (\pm cuprite ?).

Mr. Belik set up a 6400 foot irregular N-S x up to 1800 foot E-W grid system for mapping and sampling. He collected "soil" geochem samples for Au every 100 feet on E-W lines every 200 feet. This showed a +0.1 ppm anomaly some 4500 feet long along the irregular strike (with fault offsets) of the ridge and up to 700 feet wide with several +.5 ppm core zones up to 600' long and 200 feet wide.

Mr. Belik cut composite samples on 50 to 100 foot centers across 4 main zones with widths/opt Au as follows:

South Adit zone (1000' x 15-70' wide): 45'/.068, 25'/.132, 15'/.090.

Upper Shaft zone (220' long x 38' av. width for best zone av: .077 opt Au): 15'/.110, 24'/.077, 40'/.095, 50'/.050 or 081, 10'/.045, 15'/.060.

Lower Shaft zone (200' long x 62' wide best zone @ av. 0.10 opt Au): 60'/.045, 75'/.133, 45'/.108, 63'/.038, 20'/.084, 15'/.015, 45'/.02, 45'/.02, 20'/.034, 38'/.024. (Faults complicate zone.) Old adit along strike runs 80'/.05 or 50'/.064.

North Adit zone (800' x 10-70' wide): 10'/.025, 23'/.029, 35'/.022, 50'/.04, 55'/.037, 12'/.05.

Numerous other <.02 opt Au cuts were taken around and down strike from these better zones.

Based on the above surface assays Belik drilled some 35 mostly angle rotary-hammer-holes (9840' total) to a maximum depth of 380 feet. I located almost all of these holes in the field collecting some 12 remaining collar-cuttings samples plus 13 samples from duplicate sacks stored at the 600 foot shaft. I had the samples assayed (Skyline TAJ-430) for Au, Ag, and Cu + 3 E-specs for checks. Although Roddy only provided composite drill hole assays, the Skyline results generally agreed with these intervals for Au.

The Roddy drill hole summary sheet shows that 26 of 35 holes hit >5' of >.01 opt Au but only 6 holes had significant intervals >.09 opt to balance the large number of <.09 opt intervals. The 1395' of significant >.01 opt intervals averaged .049 opt Au. The 4 holes (84 PH 26-30) in the South Adit zone were barren. Apparently according to Mr. Cullum they were drilled S to SW into the footwall of a flat fault not obvious in the talus along the drill roads. The last 3 holes (84 PH 33-35) in the north end of the Lower Shaft Extension zone were also apparently barren (surface grades at best are 38'/.024 opt Au). The 5 North Adit zone holes (84 PH 21-25) on 200' centers hit some 25-55' in each hole that averaged only .021 to .038 opt Au. Thus the only immediate potential in the area is the Upper Shaft zone which in 8 fanned holes show a total of 465 feet of intercepts averaging .068 opt Au and the Lower Shaft zone with 13 fanned holes showing 488 feet of intercepts averaging .043 opt Au. The holes were drilled mostly on 100 foot with a few 150-200' centers.

Roddy has provided 9 serial cross sections including these holes. Of course, the drill holes intercept the roughly vertical mineralized zones at an acute angle, so true thickness is only a fraction of drilled thickness. It appears that the surface zone generally shows a 2-3X enrichment and is broader than mineralization at depth.

To explore the two better zones at depth Roddy/Belik in winter 1984-85 refurbished the 487' Upper Shaft to the 350' level and the 600 foot lower shaft to the 250' level. Belik sampled across the drifts along the mineralized shear zone on 10 foot centers including short cross cuts and on the 150' level of the Lower Shaft, also the west rib with 10 foot cuts. This work showed that the Upper Shaft zone was cut off by a 52° dipping right-lateral fault between the 250' and 350' levels. The 250' level in the hanging wall block here showed 25' @ .21 opt Au but no drifting.

The Lower Shaft on the 150' level showed a 400' long strike zone 20-40' wide with >.02 opt Au and on the 250' level a 300' long zone 10-30 feet wide with >.02 opt Au. The sampling shows that the highest grade (>.2 opt Au) mineralization follows the shear zone. The 150' level shows a high-grade shoot with some 150 foot of strike averaging 5 feet of .30 opt Au. This shoot rakes to the north so that by the 250' level the zone is only 80 feet along strike averaging .36 opt Au over 6 feet. The intermediate 184' sub-level shows 50 feet of drift averaging .35 over a 5-10 foot width. From the surface to 250' there are probably some 15-20,000 T that would average about .33 opt Au in this shoot. There was apparently only a little stoping of this type of oxidized material.

From the surface and underground sampling plus drilling, I have made rough calculations of potential tonnage higher-grade open-pit tonnage in the shaft zones as follows with 12.5 cu.ft./T:

Upper Shaft zone: 220' long x 30' av.width (30' @ surf., 20' @ depth)
x 150' deep = 79,000 T. (average grade .08 opt Au surface, under-
ground & drilling assays) x 250' deep = 132,000 T.

Lower Shaft zone 200' long x 40' av.width (62' @ surf., 10-40' @ depth)
x 150' = 96,000 T. (grade .075, surf., UG, + drilling) x 250' =
160,000 T.

Summary to 150': 175,000 T @ .077 opt Au
to 250': 292,000 T @ .077 opt Au

The reserves are 1/3 to 1/2 and lower grade than the 565,000 T @ .09 extrapolated by Belik. I can only guess that Belik/Roddy obtained their tonnage using the maximum width of +.02 opt Au underground or surface widths with surface grades. I attach a reduced plan and cartoon sections from Belik's April 1985 report. I have not worked out stripping ratios but they would be a little less than 3.5/1 for the 175,000 T open pit and more for the 292,000 T open pit. There may be some 50,000 T @ +.2 opt Au that could be mined underground.

Because of the way it is broken up by faulting mining/ore control would be difficult. Belik says that the average Cu grade is 0.15-.3%; however, the flux material shipped to smelters was several times this. 150 of my Cu values averaged .07% (not including one 1.7% value) for the samples that contained >.02 ppm Au. High Au may not correlate with high copper though, but cyanide

consumption could be high. The Belik .09 opt Au reserve is also at 0.15 opt Ag. Belik claims Au recovery @ 70% which may be high for this heavily silicified, high iron oxide material without some preliminary crushing and agglomeration.

The property certainly deserves some follow-up drilling both of the surface and underground (long-hole). There is little information on the 4 deep angle core holes drilled below the ore ridge by Louisiana Land and Exploration (1971), but potential at depth from present drilling is probably limited. The South Adit zone hanging wall and any footwall mineralization needs to be tested, but surface grades and a similar situation in the drilled North Adit zone suggest only the potential for 1/3-1 m.t. @ .02-.04 opt Au. It remains to be seen if Roddy could operate this property with present known tonnage and grades, and unknown water source (the workings are dry to the 600' level). Other shallow zones on the property might be turned up by geophysical methods, especially any sulfides remaining. The original rock must have contained 10-15% + pyrite and some chalcopyrite with traces of galena and sphalerite (E-spec. results). Overall though I was quite impressed by the hematite, silicification and the length of the Hauxhurst structure in the field. It is obvious that Roddy has well-tested the better zones and greatly limited potential tons and grade.

There may well be potential for other deposits similar to the Hauxhurst zone partially under cover in the volcanics to the east or several miles to the south and west. A number of small iron oxide stained zones along rhyolitic dikes with minor workings were noted to the east of Hauxhurst. Claim notices some 1/3 mile SE of the Hauxhurst mine along old prospect pits in purple andesite breccia show that the area is still held by W.L. Burney, Tucson, who held the ground when B.N. Watson visited in 1966. The Burney's apparently sold the 10 patented Furlough claims about 1966. The district deserves a few days of reconnaissance to determine if other similar zones might exist. The Bighorn property itself should be kept track of and data re-examined if it becomes available at a lower price, or additional knowledge of this type of deposit is developed for the region.


F. R. Koutz

FRK:mek

Att: ERS: 1984 & 1985
Roddy Location Map, Plan & Sections

ASARCO EXPLORATION RECORD

Submittal by
Roddy Resources

☒ FIELD EXAMINATION ☐ LITERATURE SEARCH ☒ ASARCO FILE ☒

Section I General Indexing Furlough Pat. (1966) Lode Claims 1-10+

① Name(s) of Property or Area Big Horn Property (Roddy Resources) (U.S. or Hauxhurst Mine) Big Horn District, Big Horn Mts.				② Country U.S.		③ State or Province Maricopa Co., AZ	
④ USGS Quad. Big Horn Mts. 15'				⑤ File or Gore No.			
⑥ Latitude 33°41'	⑦ Longitude 113°01.5'	⑧ AMS Sheet Phoenix	Township 4N 4N 5N	Range 8W 7W 7W	Section 1* 6 31	⑨ Examined by F.R. Koutz	
⑩ Office Tucson						⑪ Date 6/17/85	
						⑫ Field Days 1	

Section II Sources of Information

Date Typed 10/9/85

⑬ References	Author	Date	Title	Publications	Vol. No.
	G.D. Belik	1984-85	Roddy Res. data package		
	B.N. Watson	8/30/66	Burney (Hauxhurst) Pros. Big Horn Dist. (Review) Asarco Files		
	F.M. Stevens	5/5, 6/6/44	Hauxhurst Mine/1951 E. Wisser (U.S. Cu-Au prospect)		

Section III Appraisal

⑭ Recommendations <input type="checkbox"/> Action Now <input checked="" type="checkbox"/> Too Low Grade <input type="checkbox"/> Too Small <input checked="" type="checkbox"/> Ownership Problem <input type="checkbox"/> Access Problem <input checked="" type="checkbox"/> Dist. Recon.		⑮ Post Producer <input type="checkbox"/> Producer <input type="checkbox"/> Mineral Deposit <input checked="" type="checkbox"/> Prospect <input type="checkbox"/> Heap Leach		⑯ Detachment <input checked="" type="checkbox"/> Geologic Concept <input checked="" type="checkbox"/> Geochem Anomaly <input type="checkbox"/> Geophy Anomaly <input checked="" type="checkbox"/> Cauldron Marg		⑰ Production Commodity Tons Grade Au/Cu (WW 11) 4500 .13opt/.5-.75% Au/Cu 1961 133 .09 opt/2% ±70% SiO ₂	
⑱ Reserves <input type="checkbox"/> Measured <input checked="" type="checkbox"/> Estimated Au/Cu 175-300,000 .09opt/.3% Au 1-1½ m.t.?? .01-.04 opt incompletely drilled		Roddy Drilling 3.5/1:W/O					
⑲ Num. Drill Holes 4DDH+35HDDH Approx Total Footage 10,000'+		⑳ Excavations 2 shafts to 486± 600', 1 shaft 90', num- erous pits, adits.					
<input checked="" type="checkbox"/> Spectro. Analysis Attached 3		<input checked="" type="checkbox"/> Assays Attached 25 Au, Ag, Cu		<input type="checkbox"/> Geochem Results Attached			

Section IV Geologic Data

① Commodity or Contained Metals Au, Cu, Ag	
② Ore Minerals-Major Au ⁰ , Cu oxides-silicates-CO ₃ = Minor wulfenite Oxid. to TD	
③ Host Rocks-Major Rhy+And. tuffs (±welded)+flows, Lahars, Bx. Minor gn, schist, Qtzite (Yavapai)	
④ Age of Host Rocks Tert.-Laramide to E. Db+rhy dikes Tertiary pE basement to W.	
⑤ Nature of Exposures 2300-2700' E1. Open Desert, jasperoid spine outcrop with 80% talus on margins. About 20% outcrop away from ridge. Prob. some surf Au enrichment. Photos available (FRI)	
⑥ Alteration Multiple, parallel jasperoid ribs + silica Bx to 30': each with qtz stockwork between/surrounding, hvy Hem>Goeth (cont.) Total Extent 4000'+N-S av. 130'w., ±600'deep max (narrow)	
⑦ Structure N-S°85°E tabular silicif. zones, loc. up to 800' Rt-Lat. en echelon ±low angle offsets. Dip 20-50°E in volc. pE/T contact 500-1000' west; dips steeply E: (cont.)	
⑧ Ore Occurrence Au in Hematite-jasperoid±Bx ±late qtz vnls (Hem>Goeth>jar) CuOx+FeOx after cpy-py(?) No S ²⁻ remain. Cu-Ag&Au do not necessarily correlate. More Cu associated with Db dikes. Hvy FeOx: 5-10%	
⑨ Age of Mineralization Tertiary (Laramide?)	
⑩ Conclusions & Recommendations Mineral in narrow (15') multiple, parallel, steeply dipping, fault offset zones of several 100,000T each with stockwork qtz between silica ribs. Grade decreases from .05-.10 opt in central to .01-.04 to N&S and decreases plus narrows with depth. S&Cent. zone offset by low angle faults. High Cu content= high CN ⁻ consumpt; 70%± Rec. Ultimate potential for 2m.t. @ <.05 opt Au with 3-4/1 w/o. Follow up drilling is a long shot, hoping grade will increase to N&S or low angle FW will be found. Possibilities that other similar, eroded zones (Cont. (For additional space use extra sheets)	

ASARCO EXPLORATION RECORD

Big Horn Property

Typed 10/9/85

Continued from Page 1

28. Alteration

in silica; mod. ser.-kaol.

30. Structure

Possible cauldron margin. Db + rhyol. dikes intrude volcanics.

33. Conclusions & Recommendations

are present on pediment suggests district recon. Hvy silica in ribs maybe silicif. rhyol. dikes (which occur over district). Roddy was informed that the several tens of thousands of tons of +.1 opt Au with +70% SiO_2 and low Fe & Al_2O_3 may be acceptable Hayden Smelter flux. Roddy will probably obtain funds to do additional on strike surface drilling and closed spaced long-holing UG, but seriously doubt they will get over 600,000 T @ .09 opt. Work on property should be periodically kept track of and district is worth a recon.

ASARCO EXPLORATION RECORD

☐ FIELD EXAMINATION ☐ LITERATURE SEARCH ☒ ASARCO FILE ☒ Vancouver Office sent info

Section I General Indexing Furlough Pat. Lode Claims 1-10 (Pat. in 1966)

① Name(s) of Property or Area BIG HORN PROPERTY (Roddy Resources) (U.S. or Hauxhurst Mine) Big Horn District - Big Horn Mountains				② Country Maricopa Co.		③ State or Province AZ	
④ USGS Quad. Big Horn Mtns. 15'				⑤ File or Core No.			
⑥ Latitude 33°43'	⑦ Longitude 113°01.5'	⑧ AMS Sheet Phoenix	Township 4N 4N 5N	Range 8W 7W 7W	Section 1 6 31	⑨ Examined by FRKoutz	
						⑩ Date July 1984	
						⑪ Office SWED Tucson	
						⑫ Field Days	

Section II Sources of Information

Date Typed 8/2/84

⑬ References	Author	Date	Title	Publications	Vol. No.
	Roddy Res. Inc.,	5/16/84	Big Horn Property, Statement of Material Facts,	Vancouver Stock Ex. #57/84.	
	Watson, B.N.,	8/30/66,	Burney (Hauxhurst) Pros., Big Horn Dist. (review)	Asarco files.	
	Stevens, F.M.,	5/5, 6/6/44,	Hauxhurst Mine / 1951: E. Wisser (U.S. Copper-Gold Prospect)		

Section III Appraisal

⑭ Recommendations		⑮ Post Producer		<input type="checkbox"/> Detachment?		⑯ Production Commodity		Tons		Grade				
<input type="checkbox"/> Action Now	<input checked="" type="checkbox"/> Too Low Grade	<input type="checkbox"/> Too Small	<input checked="" type="checkbox"/> Ownership Problem	<input type="checkbox"/> Access Problem	<input checked="" type="checkbox"/> Visit	<input checked="" type="checkbox"/> Producer	<input type="checkbox"/> Mineral Deposit	<input checked="" type="checkbox"/> Prospect Au°	<input type="checkbox"/> Heap Leach	<input type="checkbox"/> Geologic Concept	<input checked="" type="checkbox"/> Geochem Anomaly	Au/Cu (WWII)	4500	.13 opt/.5-.75%
<input type="checkbox"/> Too Low Grade	<input type="checkbox"/> Too Small	<input type="checkbox"/> Ownership Problem	<input type="checkbox"/> Access Problem	<input checked="" type="checkbox"/> Visit	<input type="checkbox"/> Heap Leach	<input type="checkbox"/> Mineral Deposit	<input checked="" type="checkbox"/> Prospect Au°	<input type="checkbox"/> Heap Leach	<input type="checkbox"/> Geologic Concept	<input checked="" type="checkbox"/> Geochem Anomaly	<input type="checkbox"/> Geophy Anomaly	Au/Cu 1961	133	.09 opt/2.0%
												±70% SiO ₂		
												⑰ Reserves		
												<input type="checkbox"/> Measured <input type="checkbox"/> Estimated		
												Commodity		
												Roddy reports 10 holes av: 80-100' of		
												0.176 opt Au (mid July 84) - drilling in progress. Gary Belick, Geol.		
⑱ Num. Drill Holes 4+ old DDH 10+ new												⑲ Excavations 2 shafts to 486' & 600' 1 shaft 100'		
Approx Total Footage ?												numerous pits, adits		
<input type="checkbox"/> Spectro. Analysis Attached				<input type="checkbox"/> Assays Attached				<input type="checkbox"/> Geochem Results Attached						

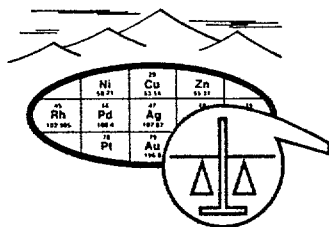
Section IV Geologic Data

② Commodity or Contained Metals		Au, Cu, Ag		28 sample cuts (10-60') av: 0.06 opt Au	
③ Ore Minerals-Major		Cu oxides, carbonates, silicates		Au° Minor Wulfenite	
④ Host Rocks-Major		Db, rhy.+and., tuffs & flows, lahars, Bx		Minor gn, schist, qtzite (Yavapai)	
⑤ Age of Host Rocks		Tertiary Tertiary-Laramide to east		pC basement to west	
⑥ Nature of Exposures		2300-2800' E1.-open desert, shafts oxidized to TD--all oxides. Regional dip 20-30°E in volc. On NE-trending "Wickenburg Lineament," local structures NW in Big Horn Mountains.			
⑦ Alteration		Stockwork qtz. vn. + silica Bx zones to 16', drusy & banded qtz. Hem. (red & specular) + jarosite. Locally 5% calc., kaolinite in wall rocks.		⑧ Total Extent 4500' N-S, 130' wide, ±600' deep (max)	
⑨ Structure		N-S tabular zone ± vert., up to 130', E-W faults offset N-S zone(s): part of N-trending, possibly arcuate (calderon?) fault/fracture zone - // to T/pC contact. Narrow Db dikes/sills intrude fx zones.			
⑩ Ore Occurrence		CuOx in vn/bx zones: Au does not necessarily correlate w/qtz or Cu-Ag. Rather narrow; prefer. deposition in mafic Rx. No S ²⁺ remain. Heavy FeOx: 5-10%.			
		⑪ Age of Mineralization		Tertiary (Laramide?)	
⑫ Conclusions & Recommendations		Rather narrow structure & high angle but potential for 2+ m.t. .05-.1 opt Au. Possibly flat fault-detachment situation cut by "microdiorite" (Db) dikes which are mineralized. Environment w/litric mineral faulting occurs in Vulture Mine area to N. Worth contacting Roddy Res. (sold: \$700,000 in stock to finance drilling here & elsewhere) and field visit.			
		.13 Au, .11 Ag, .67 Cu, .2 Zn, 11 Fe, 1.0 CaO, 72 SiO ₂ , 5.4 Al ₂ O ₃ , 0.8 S - 1944 ship-ments, mostly chrysocolla Cu.			

(For additional space use extra sheets)

Form Revised June 1980-J.H.C.

MVK-5193



SKYLINE LABS, INC.

1775 W. Sahuaro Dr. • P.O. Box 50106
Tucson, Arizona 85703
(602) 622-4836

REPORT OF ANALYSIS

*Ruddy Resources Big Horn
Heuburn
Mimicopa Co, AZ*

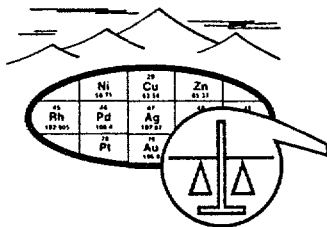
JOB NO. TAJ 430
July 3, 1985
PROJECT NO. FRK 85
SHIPMENT NO. 1
PH6: 175-180/AGM-PAE-1
PAGE 1 OF 2

ASARCO INCORPORATED
Attn: Mr. Fleetwood Koutz
Southwestern Exploration
P.O. Box 5747
Tucson, Arizona 85703

Analysis of 25 Drill Cuttings and 1 Rock Chip Sample

<i>Check Samples</i>		Au	Ag	Cu
ITEM	SAMPLE NUMBER	(ppm)	(ppm)	(ppm)
<i>1984 Drill Hole Samples</i>				
<i>pencusion hole ↓ Deaths</i>				
1	PH6: 175-180 H=8	<.02	<.2	390.
2	PH6: 180-185 pink H=4	.32	.2	320.-
3	PH8 55-60 H=3 pink	<.02	<.2	20.
4	PH8 300-310 DK hem=5	.12	3.0	17000.-
5	PH10 275-280 hem=8	.03	.2	530.-
6	PH12 280-285 >Kgy-red.	.34	1.4	4400.-
7	PH15 95-100 Lt. manan	.76	17.0	40.-
8	PH15 125-130 H=12%	.35	11.0	850.-
9	PH15 135-140 H=10%	.03	3.0	690.-
10	PH15 155-160 H=5 pink	<.02	.6	1150.
11	PH16 175-180 H=5 clay	4.00	1.6	550.-
12	PH17	<.02	.2	165.
13	PH18 350-360 H=4, clay	<.02	<.2	335.
14	PH22 hem=8 G=1, Dy	.08	.2	570.-
15	PH23 6% hem. 1% G+H.	.24	2.4	1150.- <i>T chryscolite</i>
16	PH25 8% hem. 2% G+H.	.35	2.2	475.-
17	PH26	<.02	<.2	65.
18	PH27A H=5 green diorite	<.02	.2	360.
19	PH27B H=7 G=2 -Diorite	<.02	.2	260.
20	PH28A 5% hem. 1% G+H.	<.02	<.2	250.

*cuttings @ collar
of unit 12*



SKYLINE LABS, INC.

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Tucson, Arizona 85703

(602) 622-4836

JOB NO. TAJ 430

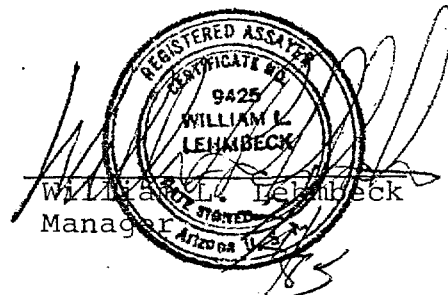
July 3, 1985

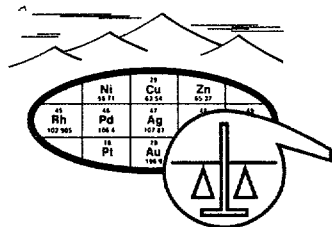
PAGE 2 OF 2

ITEM	SAMPLE NUMBER	Au (ppm)	Ag (ppm)	Cu (ppm)
21	PH28B 10% hem. 2% Gorth.	.40	<.2	300.
22	PH29 6% hem. 1% Gorth.	<.02	.2	255.
23	PH30A 4% hem. pink	.06	.2	145.
24	PH30B 8% hem.	.20	<.2	175.
25	PH30 225-230 DK gy-green	.02	<.2	105.
26	AGM-PAE-1 silver mts. Breckinridge Pittsburg mine	.03	1.6	135.

cc: Asarco Incorporated
Southwestern Exploration
P.O. Box 5747
Tucson, Arizona 85703
Attn.: Mr. James D. Sell
Ms. Mary Kavanagh

NOTE: Spectrographic analysis to follow as TAJ 430-A.





SKYLINE LABS, INC.
1775 W. Sahuaro Dr. • P.O. Box 50106
Tucson, Arizona 85703
(602) 622-4836

REPORT OF ANALYSIS

JOB NO. TAJ 430
July 3, 1985
PROJECT NO. FRK 85
SHIPMENT NO. 1
PH6: 175-180/AGM-PAE-1
PAGE 1 OF 2

ASARCO INCORPORATED
Attn: Mr. Fleetwood Koutz
Southwestern Exploration
P.O. Box 5747
Tucson, Arizona 85703

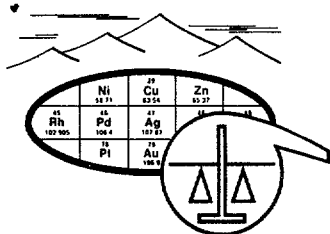
ASARCO Incorporated

JUL 8 1985

SW Exploration

Analysis of 25 Drill Cuttings and 1 Rock Chip Sample

ITEM	SAMPLE NUMBER	Au (ppm)	Ag (ppm)	Cu (ppm)
1	PH6: 175-180	<.02	<.2	390.
2	PH6: 180-185	.32	.2	320.
3	PH8 55-60	<.02	<.2	20.
4	PH8 300-310	.12	3.0	17000.
5	PH10 275-280	.03	.2	530.
6	PH12 280-285	.34	1.4	4400.
7	PH15 95-100	.76	17.0	40.
8	PH15 125-130	.35	11.0	850.
9	PH15 135-140	.03	3.0	690.
10	PH15 155-160	<.02	.6	1150.
11	PH16 175-180	4.00	1.6	550.
12	PH17	<.02	.2	165.
13	PH18 350-360	<.02	<.2	335.
14	PH22	.08	.2	570.
15	PH23	.24	2.4	1150.
16	PH25	.35	2.2	475.
17	PH26	<.02	<.2	65.
18	PH27A	<.02	.2	360.
19	PH27B	<.02	.2	260.
20	PH28A	<.02	<.2	250.



SKYLINE LABS, INC.
1775 W. Sahuaro Dr. • P.O. Box 50106
Tucson, Arizona 85703
(602) 622-4836

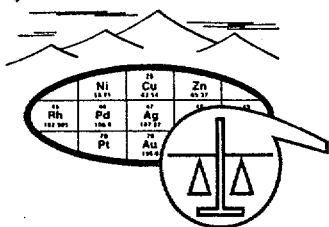
JOB NO. TAJ 430
July 3, 1985
PAGE 2 OF 2

ITEM	SAMPLE NUMBER	Au (ppm)	Ag (ppm)	Cu (ppm)
21	PH28B	.40	<.2	300.
22	PH29	<.02	.2	255.
23	PH30A	.06	.2	145.
24	PH30B	.20	<.2	175.
25	PH30 225-230	<.02	<.2	105.
26	AGM-PAE-1	.03	1.6	135.

cc: Asarco Incorporated
Southwestern Exploration
P.O. Box 5747
Tucson, Arizona 85703
Attn.: Mr. James D. Sell
Ms. Mary Kavanagh

NOTE: Spectrographic analysis to follow as TAJ 430-A.





SKYLINE LABS, INC.

1775 W. Sahuaro Dr. • P.O. Box 50106
Tucson, Arizona 85703
(602) 622-4836

REPORT OF SPECTROGRAPHIC ANALYSIS

JOB NO. TAJ 430A
July 12, 1985
PROJECT NO. FRK 85
SHIPMENT NO. 1
PH6: 175-180/AGM-PAE-1

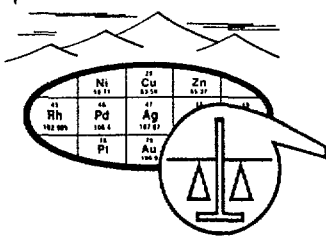
ASARCO INCORPORATED
Attn: Mr. Fleetwood Koutz
Southwestern Exploration
P.O. Box 5747
Tucson, Arizona 85703

Analysis of 4 Pulp Samples

The attached pages comprise this report of analysis. Values are reported in parts per million (ppm), except where otherwise noted, to the nearest number in the series 1, 1.5, 2, 3, 5, 7, 10, etc. within each order of magnitude. These numbers represent the approximate boundaries and midpoints of arbitrary ranges of concentration differing by the reciprocal of the cube root of ten. The 'accepted' value is considered to be within + or - 1 step of the range reported at the 68 % confidence level and within + or - 2 steps at the 95 % confidence level.

REGISTERED ASSAYER
CERTIFICATE NO. 9425
WILLIAM L. LEHMBECK
DATE FORGED
William L. Lehmbeck
Manager

cc: Asarco Incorporated
Southwestern Exploration
P.O. Box 5747
Tucson, Arizona 85703
Attn.: Mr. James D. Sell
Ms. Mary Kavanagh



SKYLINE LABS, INC.

1775 W. Sahuarro Dr. • P.O. Box 50106

Tucson, Arizona 85703

(602) 622-4836

JOB NO. TAJ 430A

PAGE 2

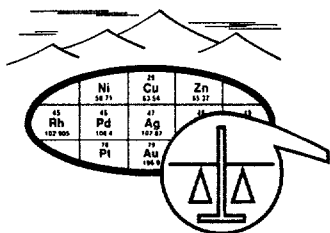
ITEM NO. SAMPLE NO.
 4 = PH8 300-310
 9 = PH15 135-140
 15 = PH23
 26 = AGM-PAE-1

Ruddy Reservoir
Mesa Verde

1984 Drilling

↑
Druid's house

ITEM	4	9	15	26
ELEMENT				
Fe	20% ✓	3% ✓	5% ✓	7%
Ca	.3%	.07%	.7%	.1%
Mg	.2%	.05%	.5%	.15%
Ag	<i>Av. 12</i> 5	<i>.03</i> 5	<i>.24</i> 7	<1
As	<200	<200	<200	500
B	50 ✓	10	10	100
Ba	1500 ✓	1500 ✓	2000 ✓	200
Be	<2	<2	2	<2
Bi	<10	<10	50	<10
Cd	<50	<50	<50	<50
Co	30	5	15	20
Cr	150 ✓	100 ✓	100 ✓	100
Cu	>10000 ✓	1000 ✓	2000 ✓	150
Ga	100	20	30	20
Ge	<20	<20	<20	<20
La	<20	<20	20	20
Mn	2000 ✓	2000 ✓	3000 ✓	10000
Mo	20	7	15	10
Nb	<20	<20	<20	<20
Ni	10	<5	10	20
Pb	500 ✓	100 ✓	1500	50
Sb	<100	<100	<100	<100
Sc	10	<10	<10	<10
Sn	<10	<10	<10	<10
Sr	500	<100	<100	<100
Ti	2000 ✓	700 ✓	3000 ✓	2000
V	100 ✓	10	100 ✓	100
W	70 ✓	<50	<50	<50
Y	10	<10	10	15
Zn	700 ✓	<200	1000	200
Zr	100 ✓	100	100	30



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(602) 622-4836

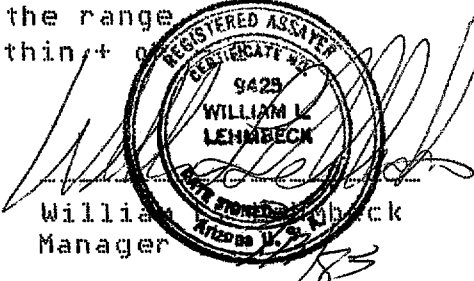
REPORT OF SPECTROGRAPHIC ANALYSIS

JOB NO. TAJ 430A
July 12, 1985
PROJECT NO. FRK 85
SHIPMENT NO. 1
PH6: 175-180/AGM-PAE-1

ASARCO INCORPORATED
Attn: Mr. Fleetwood Koutz
Southwestern Exploration
P.O. Box 5747
Tucson, Arizona 85703

Analysis of 4 Pulp Samples

The attached pages comprise this report of analysis. Values are reported in parts per million (ppm), except where otherwise noted, to the nearest number in the series 1, 1.5, 2, 3, 5, 7, 10, etc. within each order of magnitude. These numbers represent the approximate boundaries and midpoints of arbitrary ranges of concentration differing by the reciprocal of the cube root of ten. The 'accepted' value is considered to be within + or - 1 step of the range reported at the 68 % confidence level and within + or - 2 steps at the 95 % confidence level.

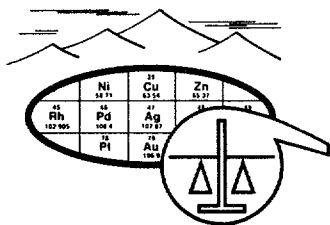

REGISTERED ASSAYER
CERTIFICATE NO. 9425
WILLIAM L. LEHMBECK
Tucson, Arizona
Manager

cc: Asarco Incorporated
Southwestern Exploration
P.O. Box 5747
Tucson, Arizona 85703
Attn.: Mr. James D. Sell
Ms. Mary Kavanagh

ASARCO Incorporated

JUL 15 1985

SW Exploration



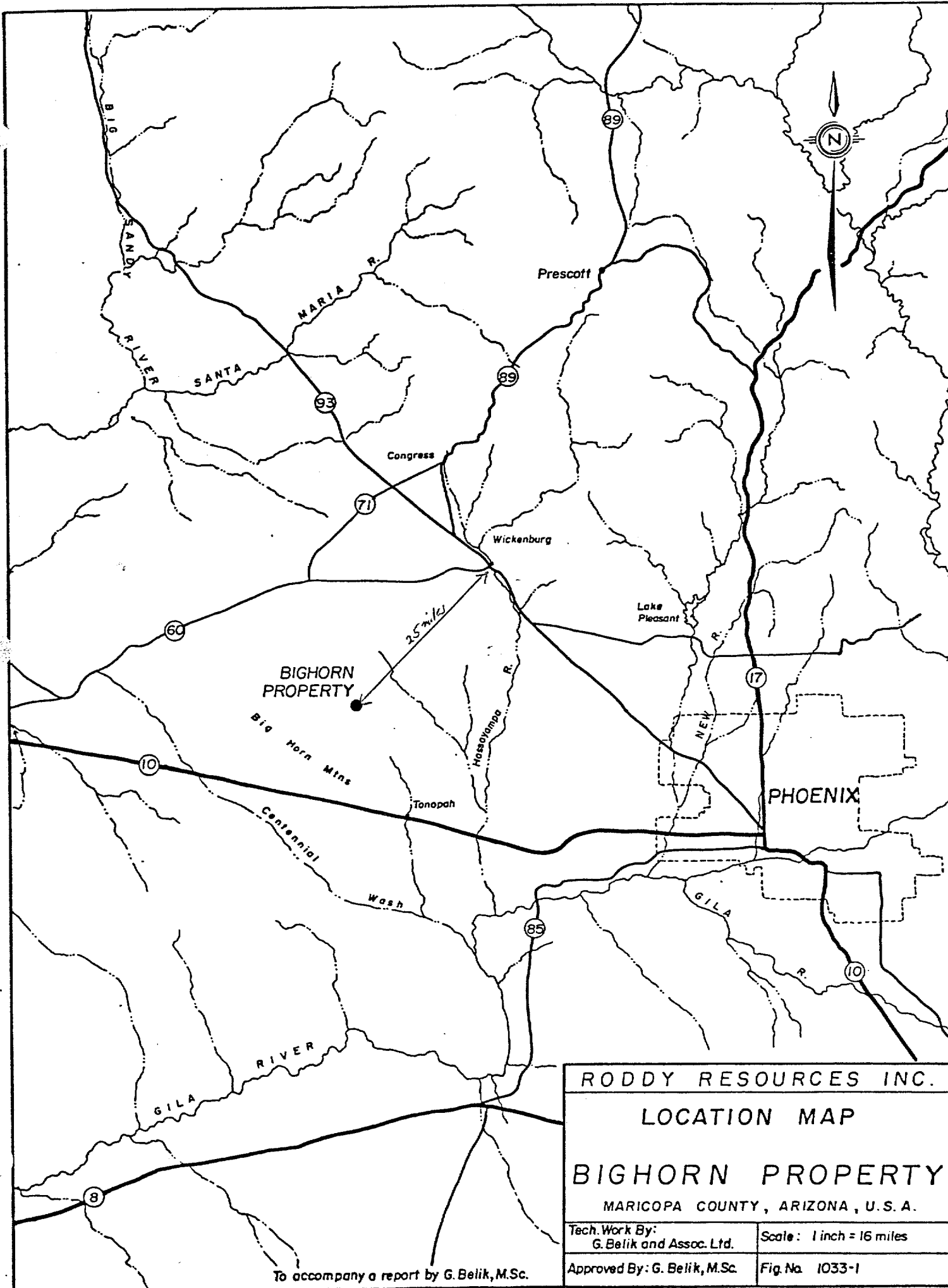
SKYLINE LABS, INC.

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JOB NO. TAJ 430A
PAGE 2

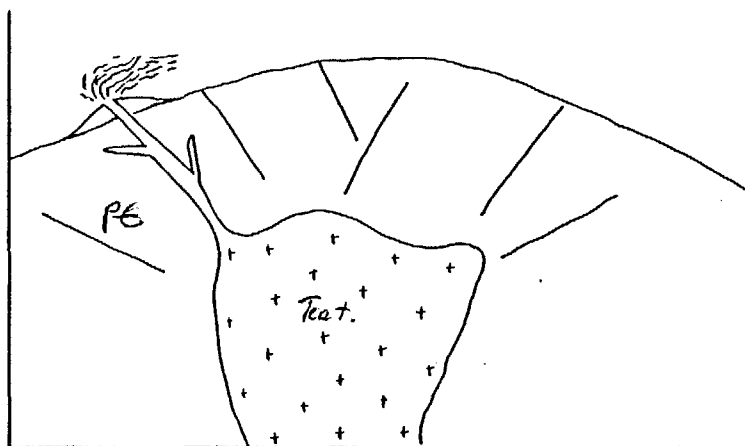
ITEM NO. SAMPLE NO.
4 = PH8 300-310
9 = PH15 135-140
15 = PH23
26 = AGM-PAE-1

ITEM	4	9	15	26
ELEMENT				
Fe	20%	3%	5%	7%
Ca	.3%	.07%	.7%	.1%
Mg	.2%	.05%	.5%	.15%
Ag	5	5	7	<1
As	<200	<200	<200	500
B	50	10	10	100
Ba	1500	1500	2000	200
Be	<2	<2	2	<2
Bi	<10	<10	50	<10
Cd	<50	<50	<50	<50
Co	30	5	15	20
Cr	150	100	100	100
Cu	>10000	1000	2000	150
Ga	100	20	30	20
Ge	<20	<20	<20	<20
La	<20	<20	20	20
Mn	2000	2000	3000	10000
Mo	20	7	15	10
Nb	<20	<20	<20	<20
Ni	10	<5	10	20
Pb	500	100	1500	50
Sb	<100	<100	<100	<100
Sc	10	<10	<10	<10
Sn	<10	<10	<10	<10
Sr	500	<100	<100	<100
Ti	2000	700	3000	2000
V	100	10	100	100
W	70	<50	<50	<50
Y	10	<10	10	15
Zn	700	<200	1000	200
Zr	100	100	100	30

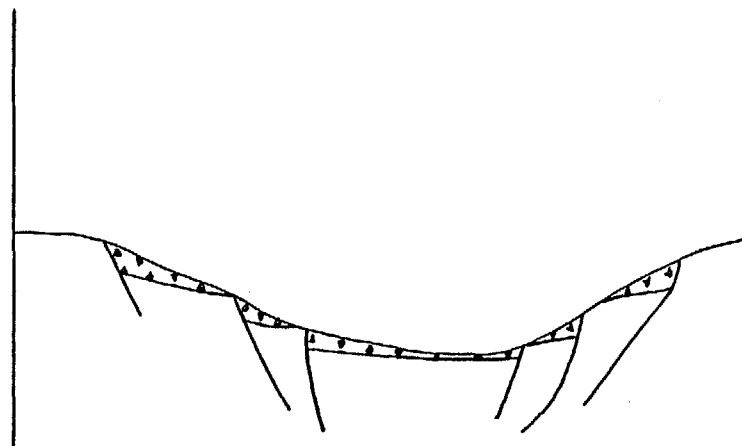


RODDY RESOURCES INC.	
LOCATION MAP	
BIGHORN PROPERTY	
MARICOPA COUNTY, ARIZONA, U.S.A.	
Tech. Work By: G. Belik and Assoc. Ltd.	Scale: 1 inch = 16 miles
Approved By: G. Belik, M.Sc.	Fig. No. 1033-1

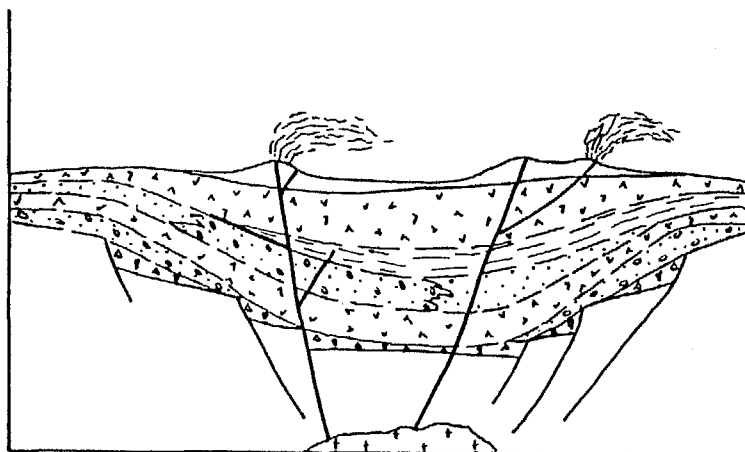
To accompany a report by G. Belik, M.Sc.



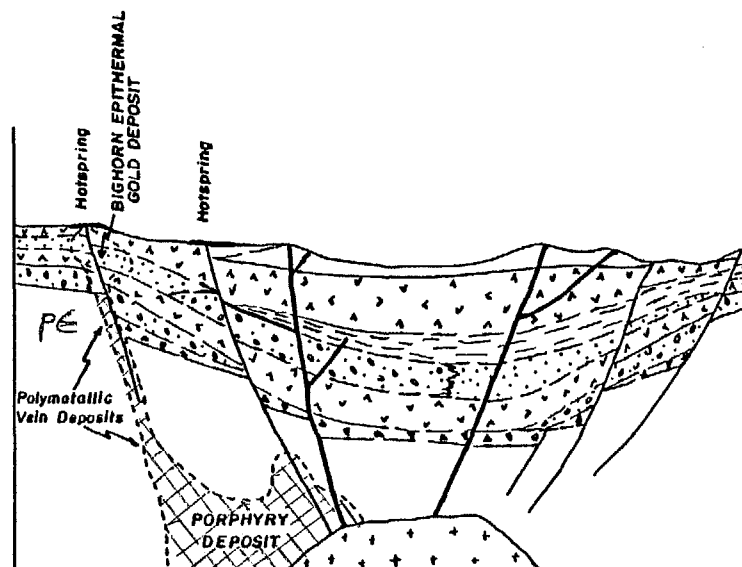
STAGE I
DOMING AND FRACTURING



STAGE II
SUBSIDENCE FORMING COLLAPSE CALDERA



STAGE III
CYCLIC BASIC TO FELSIC VOLCANISM
AND FAULTING



STAGE IV
LATE STAGE FAULTING AND ASSOCIATED
HOTSPRING ACTIVITY

FIG NO. 1033-3

SIMPLIFIED SCHEMATIC ILLUSTRATION OF THE GEOLOGICAL
EVOLUTION OF THE BIGHORN EPITHERMAL GOLD DEPOSIT



1" = 400'

POSSIBLE 300,000-700,000 TONS OPEN PIT
RESERVES .03-.04 OZ/T Au

North Adit Zone

Lower Shaft Fault

Lower Shaft Ext. Zone

PROPOSED LOWER SHAFT PIT OUTLINE
RESERVE ESTIMATES:
PROBABLE - 365,000 TONS, .092 Au
POSSIBLE - 200,000 to 500,000
ADDITIONAL TONS AT DEPTH AND TO
THE NORTH

PROPOSED UPPER SHAFT PIT
OUTLINE
RESERVE ESTIMATE:
200,000 TONS, .08 Au

LEGEND

- ROAD
- ⊞ SHAFT
- DRILL HOLE (1984 PROGRAMME)
- OUTLINE OF QUARTZ STOCKWORK AND QUARTZ VEIN BRECCIA BRECCIA ZONE - GENERALLY STRONGLY HEMATIZED AND KAOLINIZED
- SURFACE TRACE OF STEEPLY DIPPING FAULTS
- LOW ANGLE FAULTS
- GEOLOGIC CONTACT

FLAT FAULT CUTS OFF MINERALIZATION From S.E. Side
LITHOLOGIES

- Tv TERTIARY VOLCANICS - DACITE, RHYOLITE, ANDESITE TUFFS AND FLOWS
- Du DIABASE DYKES AND SILLS
- Pc PRECAMBRIAN SCHISTS AND GNEISSES

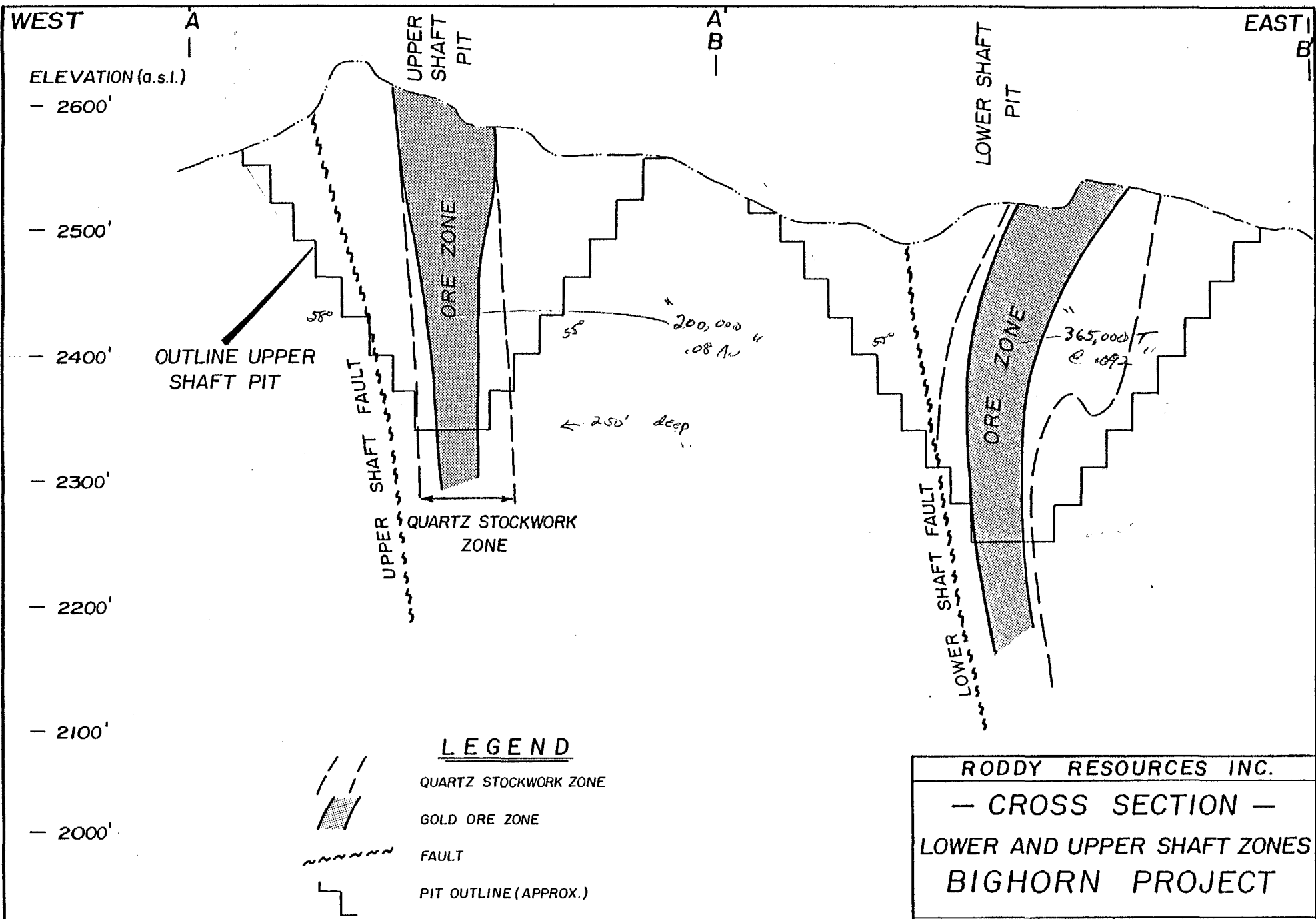
RODDY RESOURCES INC.

GENERALIZED GEOLOGICAL PLAN

1" = 400'

BIGHORN PROJECT

TECHNICAL WORK BY G. BELIK AND ASSOC. LTD.	SCALE 1" = 400' 0 50 100 200
DRAWN BY W.G.	DATE APRIL, 1985
APP'D BY G. BELIK, M.Sc.	FIG. NO.



RODDY RESOURCES INC.	
— CROSS SECTION —	
LOWER AND UPPER SHAFT ZONES	
BIGHORN PROJECT	
TECHNICAL WORK BY: ??	SCALE - 1" = 100'
DRAWN BY: W.G. (APR/85)	FIG. NO.

To accompany a report by G.Belik, M.Sc.

1710-609 GRANVILLE ST.
P.O. Box 10383 STOCK EXCHANGE TOWER
VANCOUVER, B.C.
V7Y 1G5
683-7265
(AREA CODE 604)

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SEPTEMBER 18, 1984

George Cross News Letter RECEIVED
"Reliable Reporting" SEP 24 1984

NO. 180(1984)
SEPTEMBER 18, 1984

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VANCOUVER, B.C.
V7Y 1G5
683-7265
(AREA CODE 604)

JDS see p.1

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APRIL 11, 1986

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APRIL 11, 1986

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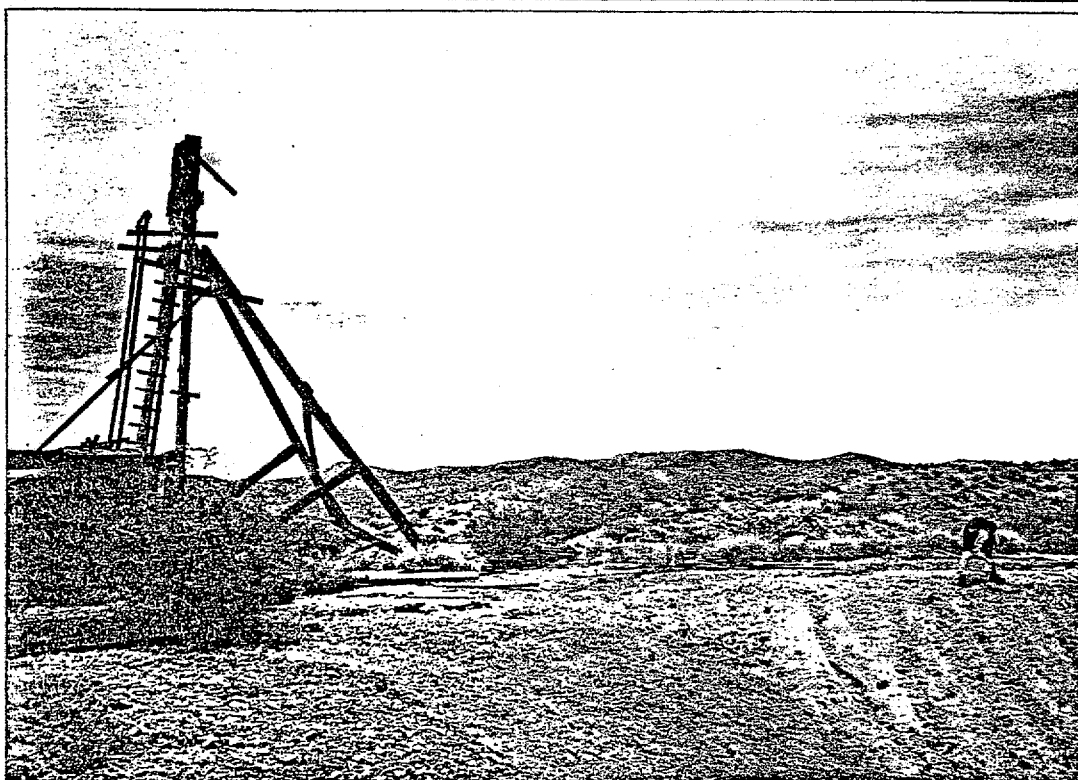
*Big Horn Project
Maverick Co., AZ*

ASARCO Incorporated

FEB 2 1987

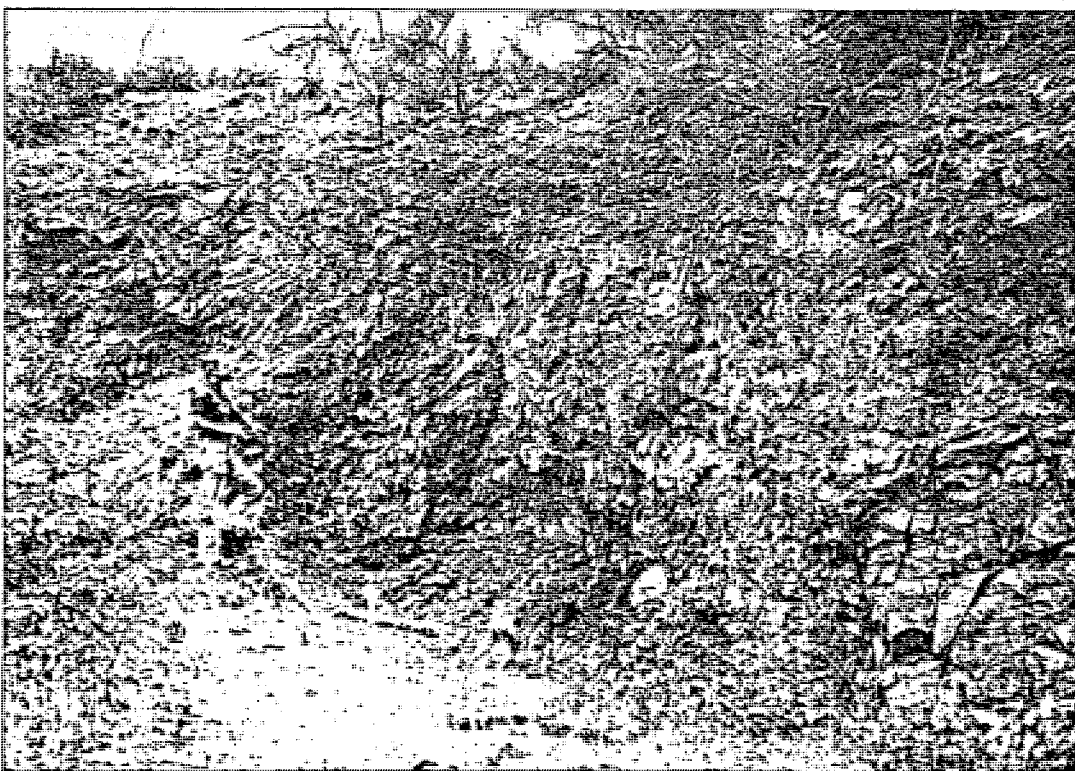
SW Exploration

CAN-EX
RESOURCES LTD.

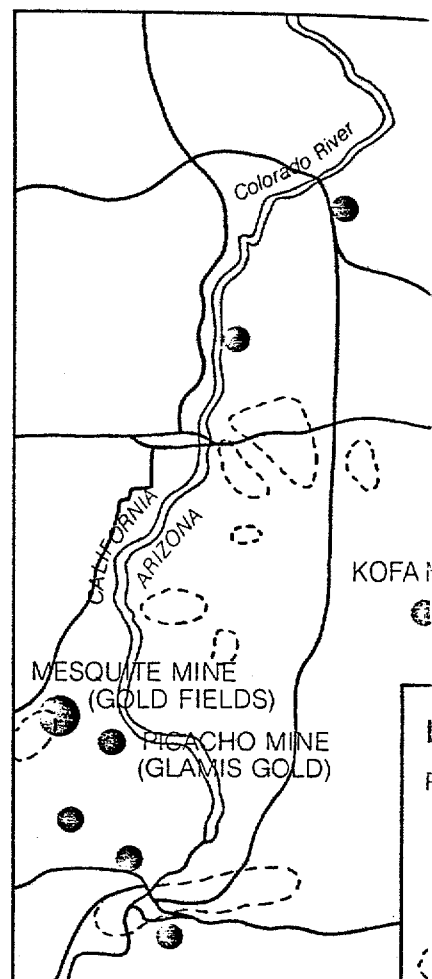


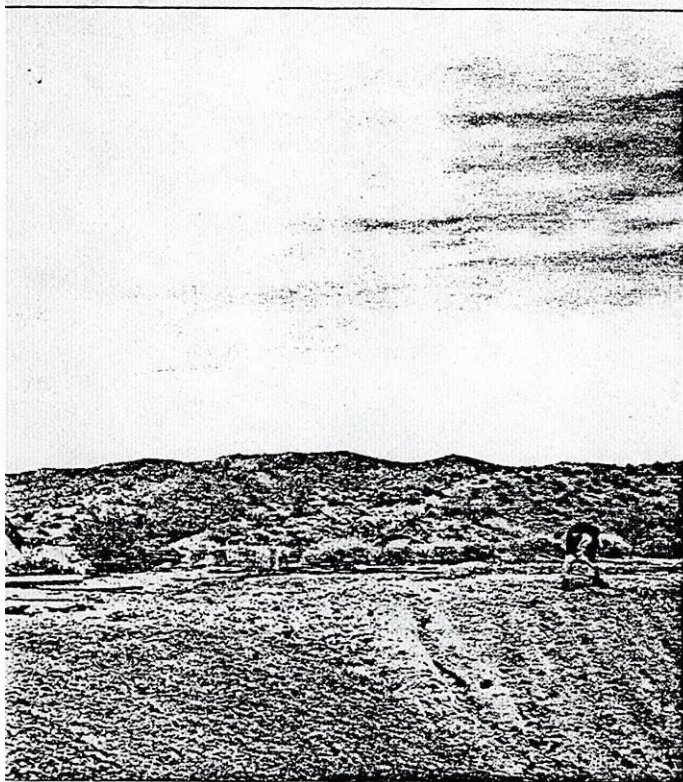
Can-Ex consultant, Gordon House, examining altered dump rock at old Mollie Davenport Mine.

ALTERED RED ZONES ARE GUIDE TO GOLD ON CAN-EX BIG HORN GOLD PROJECT



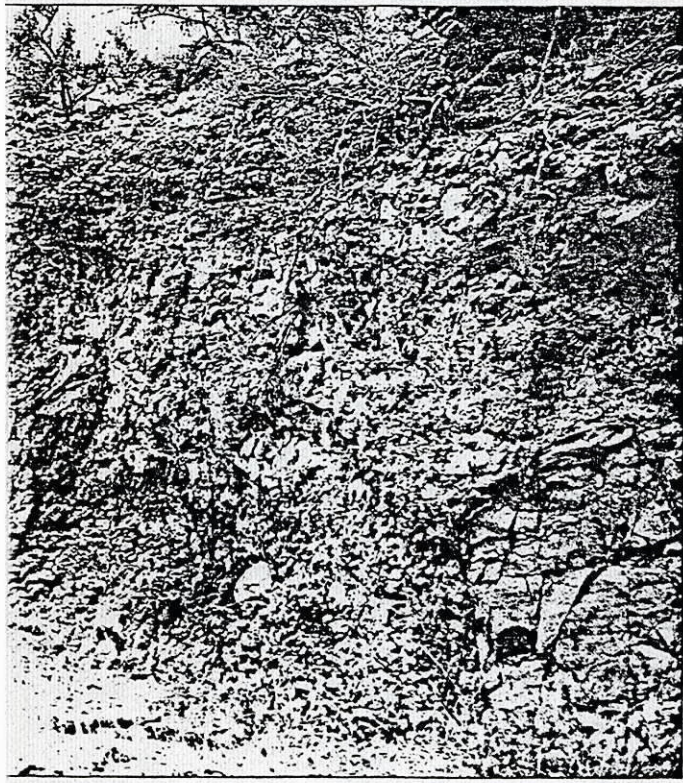
Altered Megabreccia Zone is future gold exploration target near old Knabe Mine.



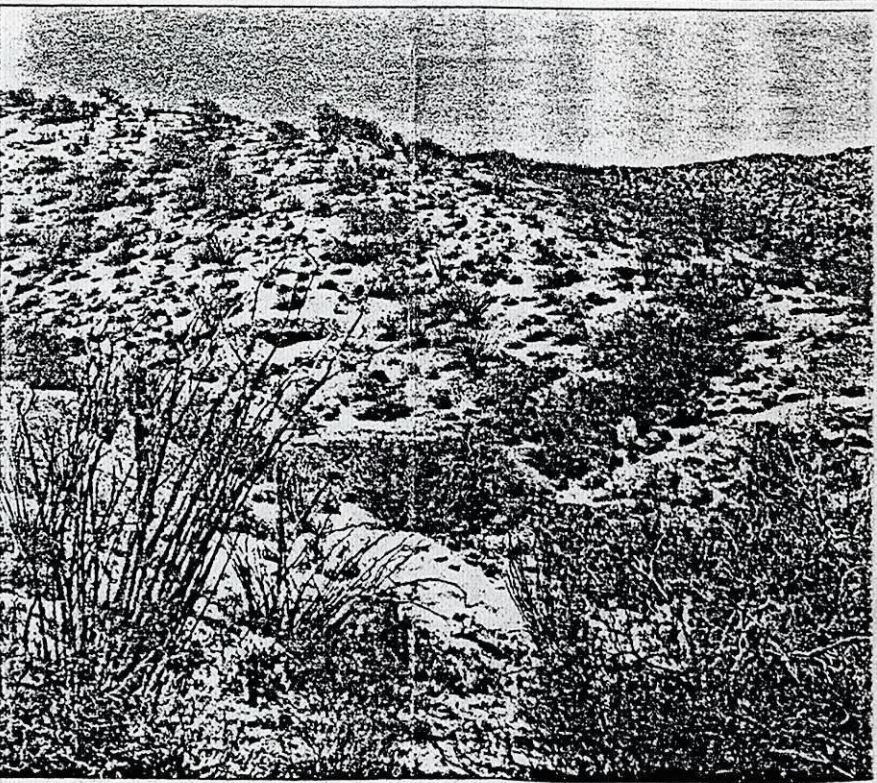
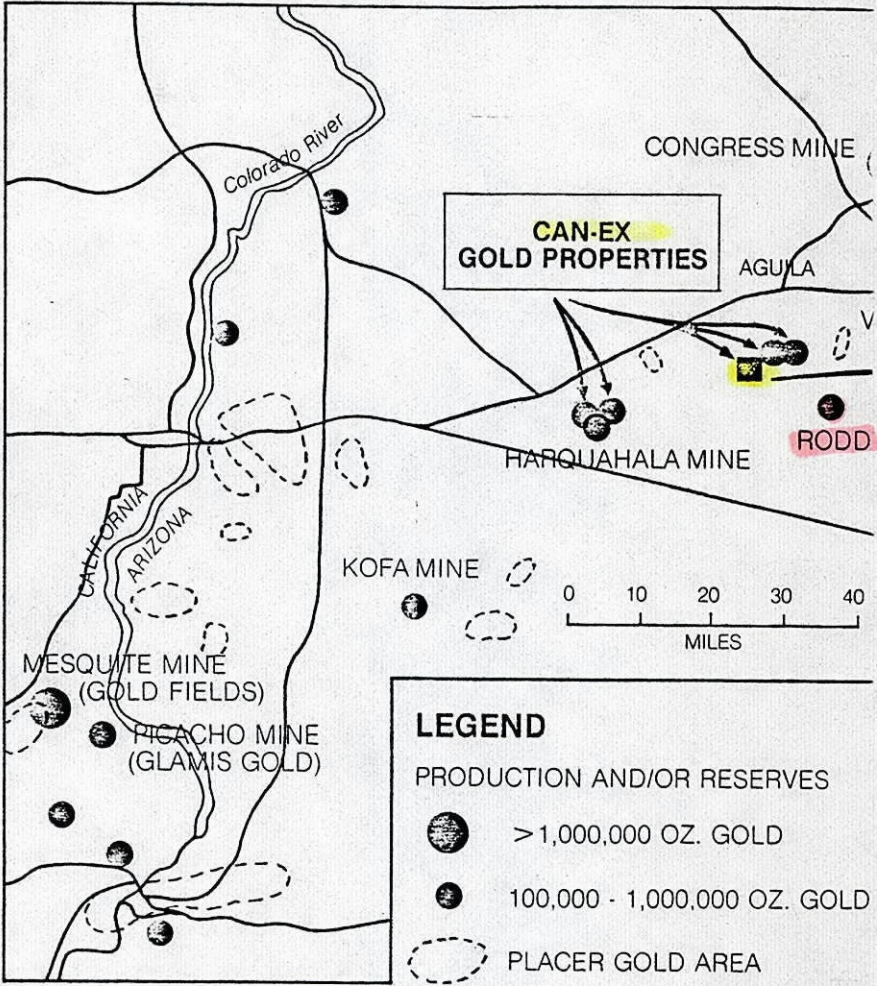


...e, examining altered dump rock at old Mollie Davenport Mine.

ZONES ARE GUIDE TO GOLD BIG HORN GOLD PROJECT

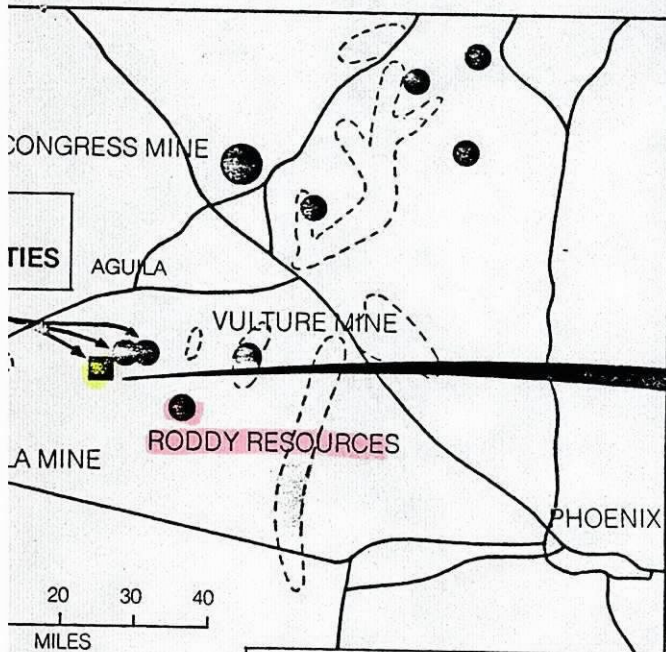


...e is future gold exploration target near old Knabe Mine.



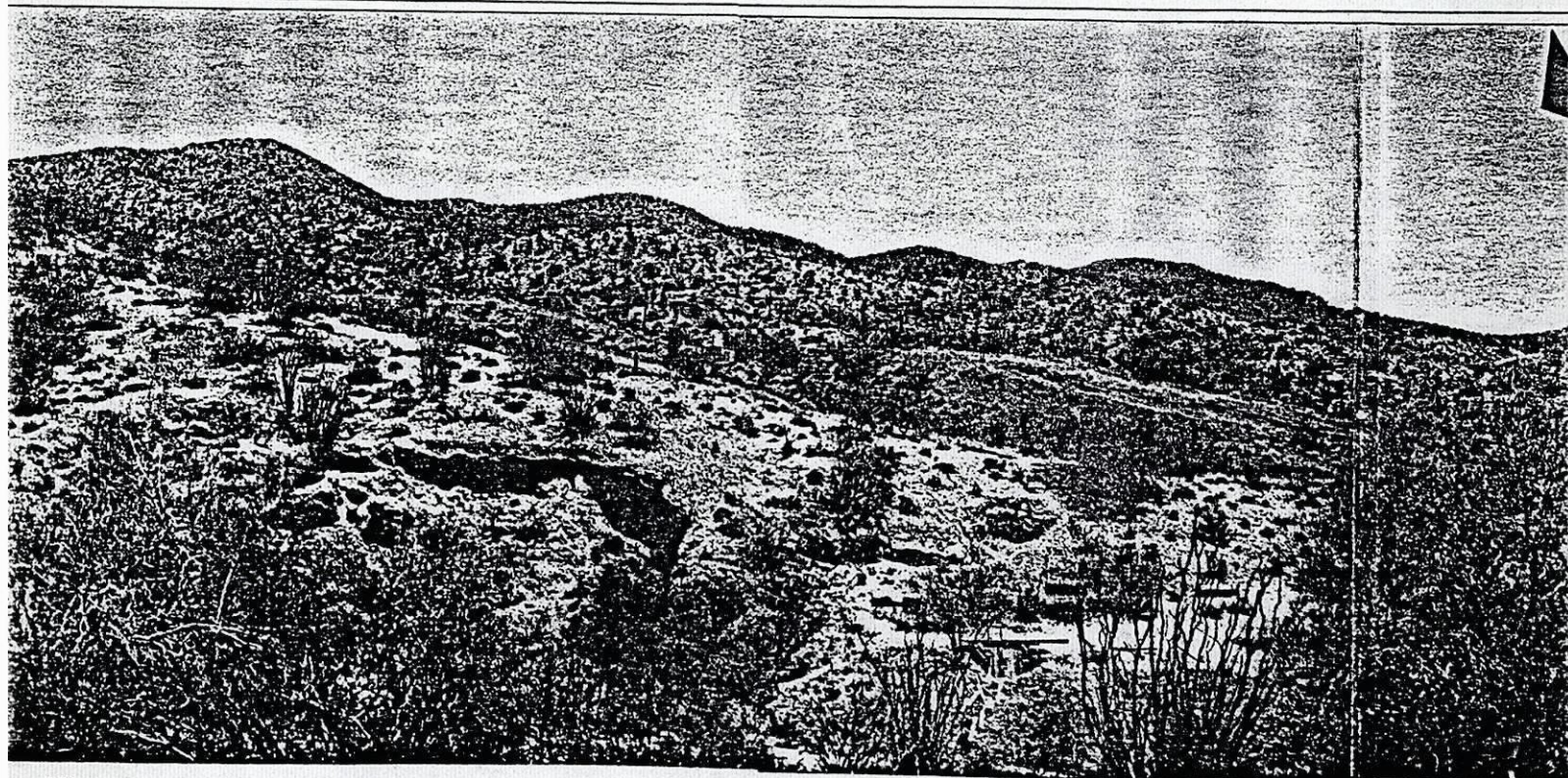
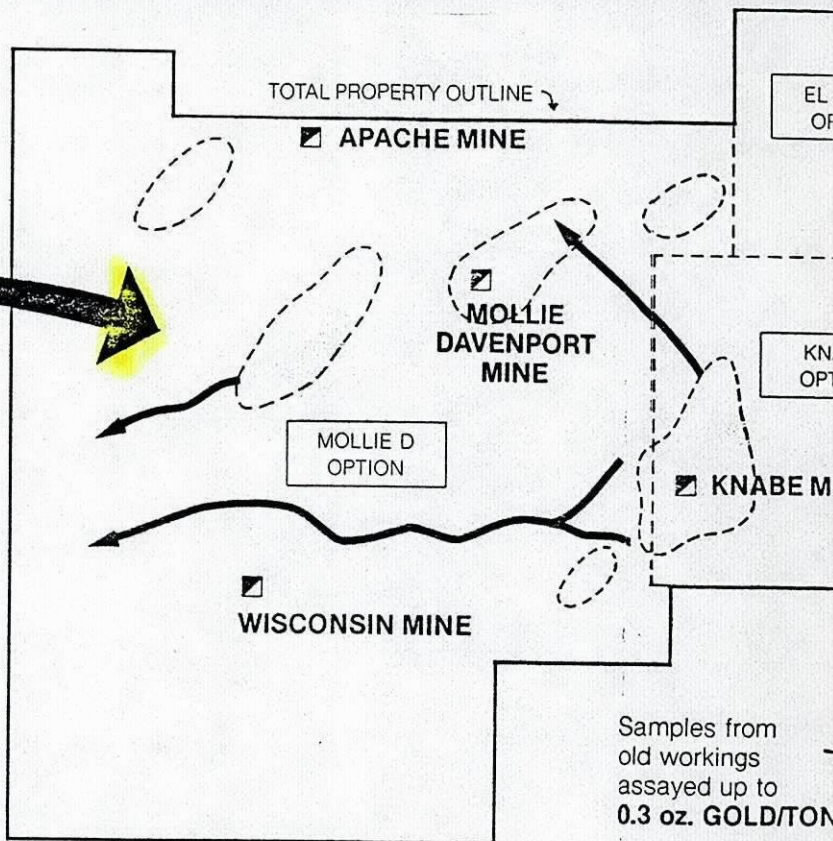
El Tigre Mine Can-Ex's f

CAN-EX BIG P



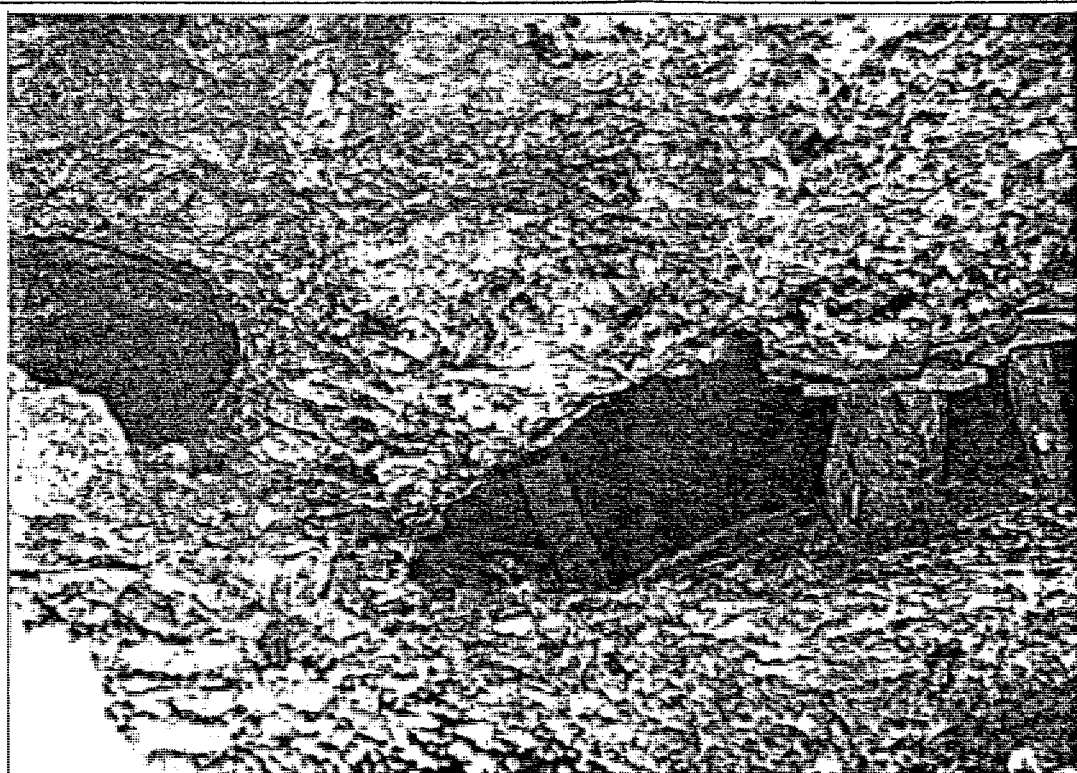
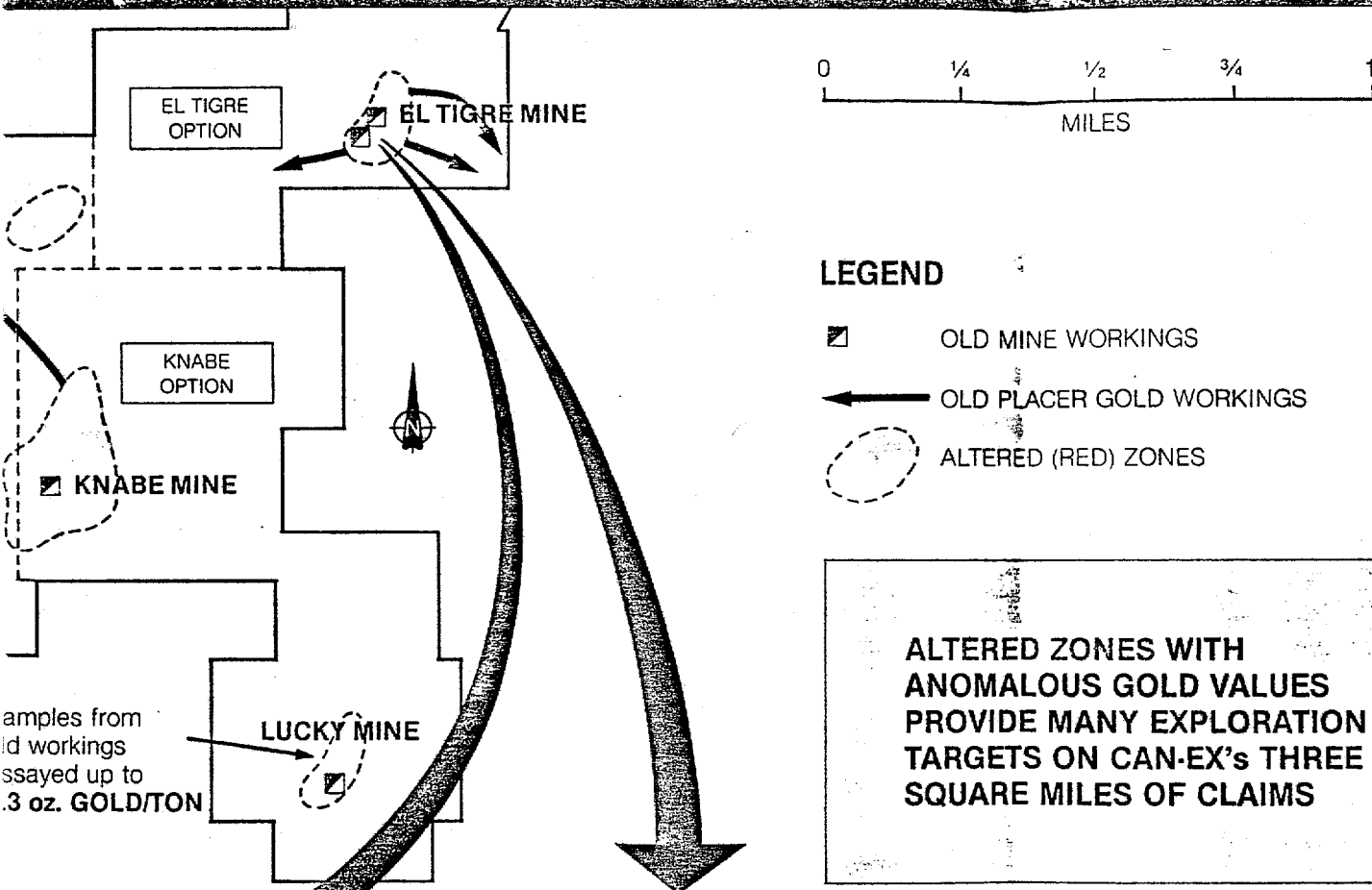
OR RESERVES
OZ. GOLD
00,000 OZ. GOLD
D AREA

**CAN-EX PROJECT
STRATEGICALLY
LOCATED ON TREND
OF MAJOR HISTORIC
AND CURRENT GOLD
PRODUCERS**



re Mine Can-Ex's first heap leach target. Note openings into old High Grade. Mine within area of extensive alteration.

IG HORN GOLD PROJECT



Old underground stopes at El Tigre Mine. Can-Ex assays from this area ran up to 1.2 oz. gold/ton. Extensive alteration exists throughout this area.

CORPORATE DATA

DIRECTORS:

Garry L. Anselmo, B.A.
David E. Chowen, B.Comm.
James F. Dixon, L.L.B.

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James D. Mann, C.A.
Secretary

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CAPITALIZATION:

Authorized: 10,000,000 shares,
no par value
Outstanding: 3,351,000 shares at
August 31, 1986

SHARES LISTED:

Vancouver Stock Exchange
— Symbol — CXZ

A MESSAGE FROM THE PRESIDENT



Can-Ex Resources Ltd., founded in 1982, and its wholly owned U.S. subsidiary, Can-Ex Resources (U.S.) Inc. are precious metal mining companies with property holdings in the U.S.A. and Canada.

The Company has the option to purchase a 100% interest in all its gold properties in S.W. Arizona, which it fully intends to exercise should field results continue to be positive, and owns 100% interest in its silver-gold property near Smithers, British Columbia.

The Company has begun work on the recently optioned Big Horn gold property located 14 road miles south of Aguila, Arizona. The three square mile property contains five old mines and preliminary work has disclosed significant gold mineralization. The property is amenable to a heap leaching type operation and work is being done towards achieving an operation of this nature. Various mining companies have expressed an interest in participating with Can-Ex on this highly interesting gold project.

Financial arrangements have been successfully concluded with Can-Ex's fiscal agent, C.M. Oliver & Company Ltd. of Vancouver, British Columbia. Funds allocated for exploration work from the \$481,000 guaranteed financing will be used to complete a

recommended drilling program on the Big Horn gold property.

Can-Ex shares trade on the Vancouver Stock Exchange under the symbols CXZ, and the Company, subject to certain jurisdictional restrictions, is qualified under "Blue Sky" regulations for secondary non-issuer trading in most of the United States.

Can-Ex looks forward to the challenge ahead and the potential reward of precious metal development and production. We welcome you, the prospective shareholder, to join us in our ventures.

On behalf of the Board
CAN-EX RESOURCES LTD.

A handwritten signature in dark ink, appearing to read "G.L. Anselmo". The signature is fluid and cursive, with a long horizontal line extending from the end.

G.L. Anselmo, B.A.
President

cc JCB, PGV

Kent McGrew
Kokanee Resources
Cariboo, Canada

2/1/91

Metallurgist, principal of Kokanee Res.
As after the Big Horn Property of Reddy Resources,
whenver owner - Reddy problems get settled.

On this date, staying in Wickenburg 684-3031
Was interested in Octave Mine.

(Had worked with Jim Galey, Fluor, & was on
the China study before leaving Fluor).