<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>GOLD</th>
<th>PROVINCE OR TERRITORY</th>
<th>PROVINCE OR TERRITORY</th>
<th>British Columbia</th>
<th>N.T.S. AREA</th>
<th>RÉGION DU S.N.R.C.</th>
<th>REF. AU 1</th>
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</thead>
<tbody>
<tr>
<td>NAME OF PROPERTY</td>
<td>CINOLA (BABE)</td>
<td>HISTORY OF EXPLORATION AND DEVELOPMENT</td>
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<td>OBJECT LOCATED</td>
<td>Babe 7 claim.</td>
<td>The property is located in the Queen Charlotte Islands some 10 miles south of Masset Inlet, near the Yakoun River.</td>
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<td>UNCERTAINTY</td>
<td>300 m</td>
<td>The showings were discovered in 1970 by Elfrem Specogna and Johnny Trinco while prospecting along the trace of the Sandspit Fault Zone. They were attracted to the locality by a visible jarosite-coated bluff in which veins were visible but sulphides were sparse. Fortunately, they sampled veins and wall rock which had some gold values. The Babe 1-32 and Ric 1-10 claims were staked on the showings in 1971. That same year Kennco Explorations, (Western) Limited optioned the property and carried out a geochemical soil, soil, and rock survey covering all claims, and 181' of diamond drilling in 2 holes on Babe 6 and 8.</td>
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<td>OWNER OR OPERATOR/PROPRIÉTAIRE OU EXPLOITANT</td>
<td></td>
<td>Silver Standard Mines Limited optioned the property in 1973, and subsequently re-optioned an 80% interest to Quintana Minerals Corporation. Work by Quintana during 1974 included geological mapping, a geochemical soil survey (106 samples), trenching, and 1,642 feet of diamond drilling in 9 holes on Babe 5, 7, 9, and 10.</td>
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<td>DESCRIPTION OF DEPOSIT/DESCRIPTION DU GISEMENT</td>
<td></td>
<td>Consolidated Cinola Mines Ltd. in April 1977 optioned the Babe and Ric groups totalling 51 claims from Mr. Specogna.</td>
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<td>Energy Reserves Canada, Ltd., a subsidiary of the Kansas based Energy Reserves Group, Inc., under a November 1979 joint venture agreement optioned from Cinola a 50% interest in the property. Diamond drilling during the period 1977-80 totalled approximately 20,000 metres in 140 holes. By the end of 1980 Energy Reserves Canada had earned its 50% interest. Drill indicated reserves were estimated at 43,300,000 tons averaging 0.056 g/t Au available for open pit mining (Canadian Mining Journal, April 1981, p. 69). The deposit forms a hill, giving a waste to ore ratio of less than 1:1 for the planned open pit.</td>
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**Associated minerals or products**
- Silver
HISTORY OF EXPLORATION AND DEVELOPMENT (continued)

Underground work began in December 1980 on a planned 1,500' adit and two crosscuts. Construction of a 50 ton per day pilot mill was begun during the year.

Cinola Operating Company Ltd. was incorporated in December 1980 by Consolidated Cinola (2/3) and Energy Reserve (1/3) to develop the property. Underground development and drilling, pilot mill operations, and a feasibility study were carried out during 1981-82, which indicated reserves of 53,000,000 tons at 0.055 oz/ton Au, 0.05 oz/ton Ag (George Cross News Letter (04/11/85). Mineable reserves were reported as 34,316,000 tonnes at 0.06 oz/mt Au (Northern Miner, 28/04/83).

In 1984 Misty Gold Inc, a private company entered into an agreement to acquire the 50% interest held by Energy Reserves, subject to a 0.5% to 5% royalty. Later that same year Consolided Cinola acquired Misty Gold through a share exchange. Diamond drilling in 14 holes late in 1984 indicated a higher grade zone of 7,000,000 tons at 0.1 oz/ton Au of open pit material (George Cross, 08/04/86).

REFERENCES/BIBLIOGRAPHIE


Champigny, N., Sinclair, A.J., Sanders, K.; Specogna Gold Deposit; Western Miner, June 1980, p. 35.

Sutherland, W. Don., Sanders, K.G.; The Cinola Deposit; Canadian Mining Journal, April 1981, p. 69.


MAP REFERENCES/RÉFÉRENCES CARTOGRAPHIQUES

Geology of the Queen Charlotte Islands, Sc. 1" : 2 miles, Fig. 5, Sheet C, accom. Bulletin 54, British Columbia Dept. of Mines, 1968.

#Geological sketch map and section, Sc. 1 cm:125 m, Fig. G-34, Geology in British Columbia, 1975, p. G 74.

*Map 103 F/9 E, Port Clements, (Topo.), Sc. 1:50,000.