

W. ARCHIBALD LIMITED
CONSULTING MINING ENGINEERS



31M05NE0409 63.4600 COLEMAN

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TORONTO 1, CANADA
TEL. 363-5054

February 15, 1985

The President and Directors
Phaeton Explorations Limited
Box 379, Commerce Court Postal Stn.
Toronto, Ontario
M5L 1G2

Progress Report No. 2, Cobalt property.

Dear Sirs:

I have just completed a trip to Cobalt where I met with Bill Hammerstrom and Herb Funk, the driller.

With the exceptionally heavy snow fall and severe cold, Funk is having problems clearing the road to the property and has had to string a water line for 1,300 feet. He should be drilling again soon.

I had a good look at the core and the bottom of the hole is in an area of intense alteration in conglomerates. The matrix is fractured, shows signs of faulting, is very chloritic, contains fine calcite-quartz stringers, and the last box of core has several areas with fairly heavy pyrite, pyrrhotite and the odd speck of chalcopyrite. The core also shows the alteration form of black chlorite spotting. Funk will have problems with blocking but, I think we are in a possible pregnant area.

So far, the drilling has borne out Hammerstrom's projections by cutting the projected veins at almost the exact footage.

It is my opinion, however, that the hole has flattened and swung to the east as we are still in the sediments. It is quite possible that we are now drilling in the north-south fault zone. I will try to obtain a couple of Pajari tests done on the hole for location purposes.

Enclosed is a plan, section and log of the hole, to date.

Yours very truly,

PHAETON EXPLORATIONS LIMITED

PAGE: 1 of

DIAMOND DRILL HOLE 84-1

LOCATION: Coleman Twp.
Claim #654

LATITUDE: 2,000 N.
DEPARTURE: 2,000 E.

BEARING: N 53° 10' E (T)
ANGLE DIP: -45°

STARTED: 15 Nov. '84

FINISHED:

LOGGED BY: W. Hammerstrom

FROM	TO	REMARKS	SAMPLE NO	SAMPLE LENGTH			
0'	6.5'	<p><u>CASING</u> -</p> <p>0.0 - 2.0 casing above surface</p> <p>2.0 - 4.5 overburden, boulders etc.</p> <p>4.5 - 6.5 bedrock</p>					
6.5	343.0	<p><u>NIPISSING DIABASE</u>, massive, medium grain, even texture.</p> <p>Few to numerous slips and fractures; mostly jointing.</p> <p>117.4 - 120.0 <u>VEIN ZONE</u>, six quartz-calcite veinlets and seams to quarter inch in width @ 20 - 30° C.A.</p> <p>Few fine specks of chalcopryrite in several areas.</p> <p>Weak light and dark wallrock alteration. Quarter-inch vein at 120.0' has a free wall on upper side.</p> <p>125.0 - 135.5, fractured and broken rusty sections.</p> <p>Possible post mineral faulting.</p> <p>@ 206.6', 1/8" quartz-calcite at 50° to core.</p> <p>Few specks pyrite and chalcopryrite.</p> <p>@ 208.3', 1/16" quartz-calcite at 50° to core.</p> <p>@ 230.5', 1/8" talcose shear at 40° to core.</p> <p>@ 275.8', 1/8" - 1/4" chloritic shear at 55° to core axis. Specks pyrite and chalcopryrite.</p> <p>@ 276.8', 1/8" chloritic shear with some calcite.</p> <p>Grains pyrite and chalcopryrite at 50° to core.</p> <p>Also 1/16" calcite veinlet at 90° to above.</p> <p>@ 308.0', 1/8" sheared quartz-calcite 55° to core.</p> <p>@ 314.0', 1/4" " " " 40° " "</p>					

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PAGE: 2 of

DIAMOND DRILL HOLE 84-1

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LATITUDE:
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BEARING:
ANGLE DIP:

STARTED: 15 Nov. '84
FINISHED:
LOGGED BY: W. Hammerstrom

FROM	TO	REMARKS	SAMPLE NO.	SAMPLE LENGTH	Ag. oz/ton	Au. oz/ton
		331.0 - 335.0, <u>FAULT ZONE</u> , Fractured and broken; especially last six inches of section. A little calcite locally along fractures. Few fine pyrite specks. Striated slip at 335.0', 44° to C.A. 334.0' - 335.0' <u>Sample</u>	1	1.0'	Tr.	.006
	343.0	<u>CONTACT</u> : Irregular chilled edge of Nipissing Diabase.				
343.0	368.5	<u>SLATE - GREYWACKE</u> : <u>(HURONIAN)</u> For the most part thinly laminated 30-40° to C.A. 343.0 - 356.5, much broken core. 365.0 - 368.0, numerous slips. Broken core.				
	368.5	<u>CONTACT</u> : Sharp change at about 45° to C.A.				
368.5	387.0	<u>GRIT CONGLOMERATE</u> : <u>(HURONIAN)</u> Fine, gritty material with odd fragment up to 1/4". Massive, fairly hard rock. Few slips.				
	387.0	<u>CONTACT</u> : Fairly sharp change.				
387.0	439.0	<u>CONGLOMERATE</u> ; <u>(HURONIAN)</u> Glacial Till? Fairly close packed, poorly rounded fragments or pebbles, several up to 6" diameter; mostly granite with chloritic matrix. Massive rock. Scattered slips at all angles to C.A.				

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PAGE: 3 of

DIAMOND DRILL HOLE 84-1

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BEARING:
ANGLE DIP:

FINISHED:
LOGGED BY:
W. Hammerstrom

FROM	TO	REMARKS	SAMPLE NO.	SAMPLE LENGTH	Ag. /ton	Au. oz/ton
		420.0 - 426.0, A few irregular white calcite threads at 35 - 45° to C.A.				
	439.0	<u>CHANGE TO:</u>				
439.0	507.0	<u>GRIT CONGLOMERATE: (HURONIAN)</u> Similar to section 368.5 - 387.0'. Few larger granitic fragments in poorly bedded gritty material at about 45° to core axis. Scattered to numerous slips at all angles.				
		488.0 - 504.0, much broken core; slips and fractures at all angles.				
		504.0 - 507.0, massive, few slips.				
	507.0	<u>FAIRLY SHARP CHANGE TO:</u>				
507.0	528.0	<u>BASAL CONGLOMERATE - COBALT SERIES: (HURONIAN)</u> Assorted pebbles and boulders with chloritic matrix. Fairly hard, massive rock. Few slips.				
		513.5 - 515.0, granite boulder.				
		527.2 - 527.3, three quartz threads at 50 - 60° C.A. A few very fine sulphide specks.				
		⊙ 535.0 DRILL BROKEN DOWN, TO REPLACE DRILL AND START WORK AGAIN IN EARLY NEW YEAR WITH A DIFFERENT DRILL.				

Looking Northwestly

N 53° 10' E

ELEV. feet
1000

ELEV. feet
1000



400

400

SECTION DIAMOND DRILL HOLE 84-1
PRAETON EXPLORATIONS LIMITED OPTION

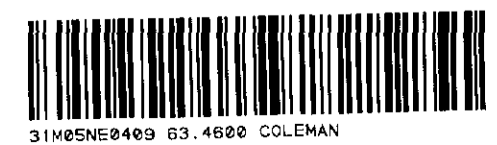
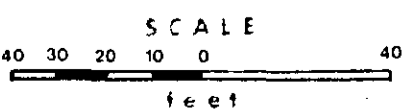
COLEMAN-LORRAIN TWP., ONTARIO

LEGEND

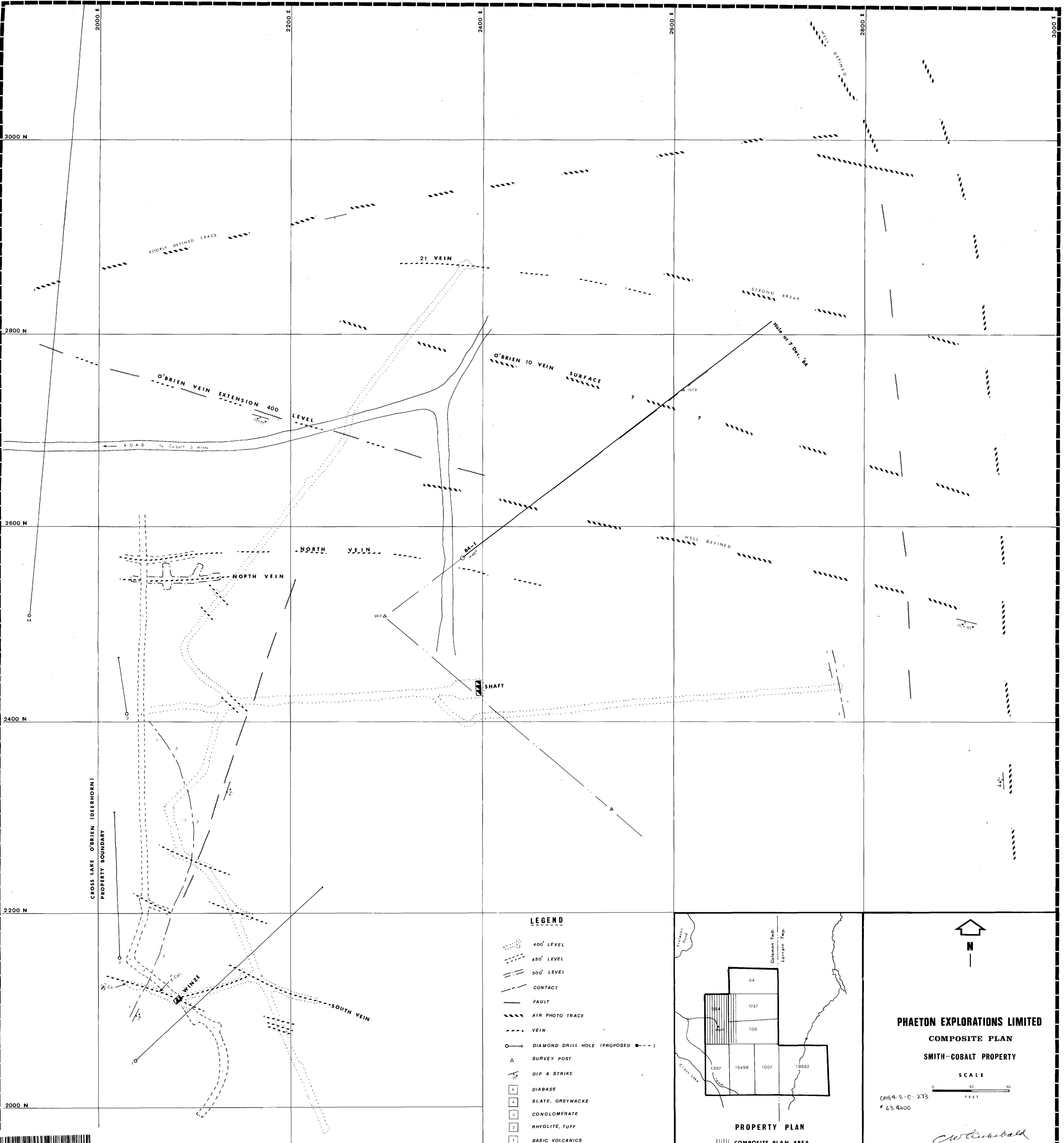
- Diabase
- Greywacke
- Conglomerate
- Basal
- Grit
- Volcanics
- Vein

OM84-S-C-273
63.4600

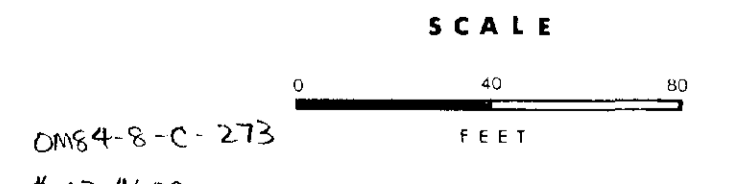
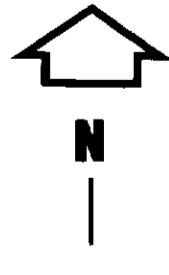
W. C. ...



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PHAETON EXPLORATIONS LIMITED
COMPOSITE PLAN
SMITH-COBALT PROPERTY



CAN 9-8-C-273
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W. J. ...