Property Memo: Resource Associates of Alaska

Introduction (by 2Prospectors)

The following three page memo from 1987 is a document generated by Resource Associates of Alaska concerning their "Advance – Retreat" exploration project. The Advance / Retreat mining claims have long since lapsed and 2Prospectors Venus Mars lode mining claims now cover a large part of the old Resource Associates project area.

The memo primarily compares the area of our current Venus Mars Property with the Wildcat Deposit situated adjacent to the northeast. At the time, the Wildcat was controlled and being explored by Homestake Mining, as is mentioned within the document. It is now controlled and being explored by Allied Nevada. As well, the Wildcat Deposit has grown substantially since the time of the memo and now contains a mineral inventory well over 1 million ounces Au equivalent.

While the memo also discusses the "West Ridge" area which was part of Nerco / Resource Associates "Advance-Retreat" Property, it is located to the west and is not included within the Venus-Mars Property.

RESOURCE ASSOCIATES OF ALASKA

Internal Correspondence

February 16, 1988

TO:

FROM:

SUBJ: Retreat/Advance, Wildcat areas, Seven Troughs District

Nerco Minerals Company's Retreat/Advance property in the Seven Troughs District of Pershing County, Nevada, displays similar characteristics to Homestake Mining Company's Wildcat property located just 1.5 miles to the northeast. Gold mineralization within the Wildcat property occurs within three basic settings:

1) Lower level (6000-6250' elevation) quartz-adularia bonanza veins 1-5' wide within strongly clay altered Cretaceous aged granodiorite to quartz monzonite intrusives - Monarch Mine area.

2) Intermediate level (6250-6500' elevation) white chalcedony vein sets (N10-20E and N75-80E) less than 1/4" to 5" wide within highly silcified to argillized mud to ash flow breccia host rocks adjacent to small rhyolite plugs to domes- Tag adit area.

3) Upper level (6500-6800 elevation) silicified cap zone within Tertiary ash-mudflow breccia unit displaying sulfidic chalcedonic quartz veins and hydrofractured brecciation.

The bonanza vein system about the old Monarch Mine area actually consists of a parallel series of 3 main vein sets (10-30' wide) trending N15-30E over a 500' wide zone: Hero, Hillside and the Wildcat veins (from west-east). The Wildcat vein (SE 1/4 sec. 17, T31N, R29E) was mined by the Monarch Mining Company in the late 1800's and consisted of a 200' deep vertical shaft and four main working levels, 30, 50, 85 and 200, for a total of 1000' of drifting. Past production from the Wildcat vein system was from banded quartz-adularia veins inches to 5 feet wide within strongly clay altered quartz monzonite to granodiorite intrusives of Cretaceous age. The Wildcat vein system consists of a parallel series of quartz-adularia veins inches to 5' wide which trend N25-30E and dip 70-74 degrees to the southeast. The hanging wall sides of the main vein system do display stockwork quartz veining (hairline to inches) in a branching horsetail fashion, 10 to 30' out away from the main trunk veins. Past production concentrated upon the main trunk veins and the

horsetail stockwork veins on the hanging wall were left virtually untouched. Shipping grades from the main trunk veins ran 2 to 12 opt Au and 20 to 100 opt silver from ore shoots 10-50' long, 10-20' wide and 10-20' high. Sampling by Warmoth and Carpenter (1927) of the drift on the 30' level displayed grades of 0.33 to 4.05 opt Au and 20 to 150 opt Ag adjacent (2-3') to the mined-out main trunk veins. Grades of 0.05 to 0.10 opt Au extend an additional 10-30' out into the horsetail stockwork veins on the hanging wall sides of the mined-out trunk veins. Considerable tonnage potential (1-2 million tons) exists about the hanging wall sides of the 3-4 main vein systems about the old Monarch Mine workings.

To date no bonanza-type quartz-adularia veins have been identified upon the Retreat/Advance property of Nerco Minerals Company. Silver to gold ratios for the Retreat/Advance property stand at 12-15:1, indicating a position considerably above the bonanza vein zone which displays Ag/Au ratios of 20-50:1 at Wildcat. The noted visible gold mineralization within the silicified rhyolitic ash to mudflow breccias about the main workings area of the Retreat/Advance property sits at about 7000' elevation as compared to an elevation of 6000-6250' for the observed bonanza-type mineralization at Wildcat. The gold mineralization found within the extreme NE 1/4 of section 19 (Wildcat Canyon Spring) about the Retreat/Advance claim group is at a low enough elevation to be within the lower level bonanza-type gold zone.

Ore grade gold mineralization (0.04 to 6.20 opt Au and 0.21 to 30.40 opt Ag) at the Tag Mine in the southcentral portion of section 17, T31N, R29E, upon the Wildcat property, occurs within a northeast (N20-30E) trending breccia zone some 30-40' wide. The ore is hosted within Tertiary rhyolitic ash to mudflow breccias displaying strong tectonic to hydrofractured breccia, silicification, and argillization. The mineralized breccia zone occurs immediately adjacent to a small porphyritic rhyolite plug or dome. Gold occurs in the free state and also is associated with banded argentite mineralization within narrow chalcedonic quartz veins ranging from fractions of an inch to several inches in diameter. Two predominant vein sets are evident from underground mapping: (1) N10-20E, and (2) N70-80E. Several hundred tons of ore were stoped about the original 50' shaft at the Tag Mine which were reported to contain 0.25 opt Au and 12 opt Ag. In 1981 Monex Exploration of Reno, Nevada mined several thousand tons from an existing adit driven from the northeast which intersected the original 50' deep vertical shaft. Several high grade pockets (200-300 tons) gave fire assay values of 2.7-6.0 opt Au and 27 opt Ag.

Alteration zones, structural setting (adjacent to rhyolite domes-plugs) and elevation rangs (6250-6500') similar to the Tag Mine, exist north of the Rat adit area along the northwest trending ridge about the NE 1/4 of section 19, T31N, R29E within the Retreat/Advance claim area.

Potential bulk mineable (2-3 million tons of 0.05 to 0.08 opt Au) reserves exist within the upper level (6500-6800' elevation) silica cap zone (epithermal hot springs setting) of the Wildcat area. This silica cap zone is hosted by a Tertiary ash-mudflow breccia unit (similar to the main workings area at Retreat/Advance) and is some 2400' long and 600-800' wide with an apron of strong argillic clay alteration about its periphery. The silica cap zone itself is cross-cut by episodic stockwork chalcedonic quartz vein sets trending in three main directions: (1) N10-15E, (2) N70-80E, and (3) N30-45W. Hydrofractured breccia zones (5-10' wide) occur adjacent to these chalcedonic vein sets and display up to 5% disseminated pyrite and grades of 0.08 to 0.232 opt Au.

The main workings area of the Retreat/Advance claim group displays close similarities to the silica-cap zone of the Wildcat system in terms of host rocks, structure, and alteration styles. Elevation wise, the main workings area lies 100-200' higher in elevation than the silica cap zone at Wildcat, thus allowing for a more extensive vertical mineralized zone. Silver to gold ratios for the silica cap zone at Wildcat ran from 10-12:1 as compared to 12-15:1 at Retreat/Advance. On the negative side, there appears to be a lot less outcrop of favorable ash-mudflow breccia host rock upon the Advance-Retreat claim area and the exact thickness of the unit is unknown.

The northwest structural zone about the Retreat/Advance claim group displays some significant gold anomalies which occur at a simliar elevation (6700-7050') to gold mineralization within the silica cap zone at Wildcat. Further cat trenching, and sampling are planned within this area early this spring.

The west ridge area (7500-7700' elevation) about the western part of the Retreat-Advance claim block, sits some 800' above the silica cap zone upon the Wildcat property. Significant rock chip values (300-600 ppb Au) and a well developed soil anomaly in this area (entirely within Cretaceous granodiorite) are rather encouraging in that potential gold mineralization could extend over a 1500-1600' vertical range (upper level silica cap zone - 6800', to lower level bonanza vein zone at 6000' elevation).

In summary, the Retreat/Advance property displays many similarities to the Wildcat property which carries geologic reserves of 20 million tons at 0.02 opt Au with a potential core area of 2-3 million tons of 0.05-0.08 opt Au. It is strongly recommended that the revised budget proposed by Rob Good (Plan B - minimum proposal) calling for $39,132, including up to 5 reverse circulation holes (1750') be expended upon the Retreat/Advance property following further cat trenching and sampling this spring.