

MATTHEWS PROPERTY
ADDENDUM TO
WENATCHEE GOLD BELT
PROJECT REVIEW

Introduction

Drilling on the Matthews property was initiated by Asamera in 1987 to establish the continuity of the Wenatchee Gold Belt (WGB). This drilling continued through 1989 and was ultimately successful in intersecting numerous high-grade intervals at depths of up to 2,000 feet below the surface. In 1993 and 1994, Consolidated Ramrod Gold Corporation continued this drilling with further success.

Despite the logistical challenges of this deep drilling, mineralization averaging greater than 0.20 opt gold has been intercepted over a strike length of 1,500 feet (Figure 1MA) and a vertical distance of 700 feet (Table 1MA). The mineralization is open to both the south and the north within a 700-foot wide favorable structural corridor (FSC). The target is now well-defined, a 700-foot wide belt containing extensive silicification and copious high-grade gold/silver mineralization within a specific vertical range. Previous drilling indicates that almost all gold values greater than 0.20 opt are hosted by silicified zones.

Previous Work

Previous drilling on the Matthews property, consisting of 46 diamond drill holes, has both defined the FSC and demonstrated the continuity of high-grade precious metal mineralization at depth. Despite the fact that many of these drill holes were steeply inclined, they still managed to intercept high-grade gold mineralization (Figures 1MA - 5 MA). To the north, at the Cannon mine, mineralization is often elongate in a vertical direction. Some holes, such as MAT-23 and MAT-26, were probably not deep enough. Subsequently, limited directional drilling perpendicular to regional strike confirmed the existence of high-grade gold (Figures 4MA and 5MA). The drill intercepts listed in Table 1MA average greater than 0.20 opt gold. They lie within a seemingly continuous, horizontal, tube-like zone of silicification.

**MATTHEWS PROPERTY
DRILL INTERCEPTS
≥ 0.20 OPT GOLD**

<u>Hole No.</u>	<u>Interval</u>	<u>Feet</u>	<u>Assay (oz/ton Au)</u>	<u>Elevation (feet)</u>	<u>Remarks</u>
MAT-4	2005-2020	15	0.406	-240 to -255	3.49 opt Ag
MAT-7	1590-1600	10	1.304	171 to 181	Banded Vein
MAT-8	1790-1830	40	0.209	-43 to -83	10.51 opt Ag in silicified rhyodacite
MAT-8	1820-1830	10	0.589	-73 to -83	22.67 opt Ag
MAT-13	1780-1810	30	0.426	410 to 440	Bx Zone
MAT-17	2020-2025	5	0.262	-164 to -169	
MAT-20	1770-1785	15	2.629	81 to 96	6.09 opt Ag
MAT-20A	1775-1790	15	0.320	80 to 95	Wedge from MAT-20
MAT-25	1630-1635	5	0.361	225-230	
MAT-93-1	1700-1705	5	0.226	80 to 85	
	1865-1875	10	0.595	-10 to -20	
MAT-93-6	1675-1680	5	0.405	125 to 128	
	1690-1695	5	0.243	110 to 112	
MAT-93-8	1630-1635	5	0.223	170 to 172	
	1720-1730	10	0.225	90 to 95	
	1760-1765	5	0.530	50 to 52	
MAT-94-10	1860-1865	5	0.404	140 to 143	
	1945-1995	50	0.261	30 to 75	
MAT-94-10A	1965-1970	5	2.219	40 to 43	Wedge from MAT-94-10
MAT-94-11	2045-2055	10	0.235	30 to 35	

TABLE 1MA

General Geology

The geology on the Matthews property is similar to that of much of the rest of the WGB. Basically, a 700-foot wide FSC contains abundant, high-grade, sediment-hosted gold mineralization with lesser rhyodacitic, intrusive-hosted high-grade gold. Both of these are found within broad zones of silicification that exist in uncertain configurations. The details of the geology, presented in the main body of the WGB project review text, will not be reiterated here. Target types consist primarily of bonanza grade epithermal veins with adjacent high-grade, sediment-hosted mantos and high-grade breccia pipes.

Mineralization

The gold/silver mineralization is found within silicified zones that have not yet been well-defined due to the relative lack of closely spaced drilling. Although the drill density on the Matthews property is greater than on the rest of the Yamana holdings, it is not adequate for a complete understanding of gold/silver distribution. Given that the favorable elevation range for high-grade gold/silver on the Matthews structural block extends from -250 feet to +450 feet in elevation, it is fairly obvious that the ground is not well-tested by drilling to the north of the 600 NW section (Figure 1MA). Despite this, MAT-13, which lies at 1,750 NW, contained 30 feet averaging 0.426 opt gold. Similarly, MAT-25, which lies at 1,050 NW, contained 5 feet which assayed 0.361 opt gold.

Bonanza grades of gold/silver are also present on the Matthews property. Maximum grades over 5-foot core intervals were **6.26 opt gold and 22.67 opt silver**. Bonanza grade intervals were generally logged as banded veins or breccias with visible gold.

In general, gold mineralization is the same as on the rest of the WGB trend. The best mineralization often lies within physically receptive sandstones proximal, but not immediately adjacent to rhyodacite intrusive. However, there are exceptions to this. Diamond drill hole MAT-8 contained a 40-foot interval of silicified rhyodacite which averaged **0.209 opt gold and 10.51 opt silver**.

Recommendations

More low angle drill holes are recommended to cross the FSC and intercept the Ag Fault at the favorable elevations defined in Table 1MA. Ultimately, drilling

from underground may be required to better define mineralization and establish a reliable resource calculation.

Conclusion

Experienced geologists realize that long intercepts of high-grade gold/silver and extensive lateral continuity of mineralization are characteristic of almost all contemporary gold mines during the exploratory phase. This certainly personifies the geology of the Yamana holdings.

Given the remarkable abundance of high-grade gold/silver intercepted from surface drill sites, it seems likely that much more gold is present at depth. Further directional and low angle drilling will be helpful in understanding the geology, but exploration from underground drill stations may eventually be necessary to establish a well-defined, drill-proven resource.

WASHINGTON, Wenatchee Gold Belt

MATTHEWS PROPERTY DRILL HOLE PLAN MAP

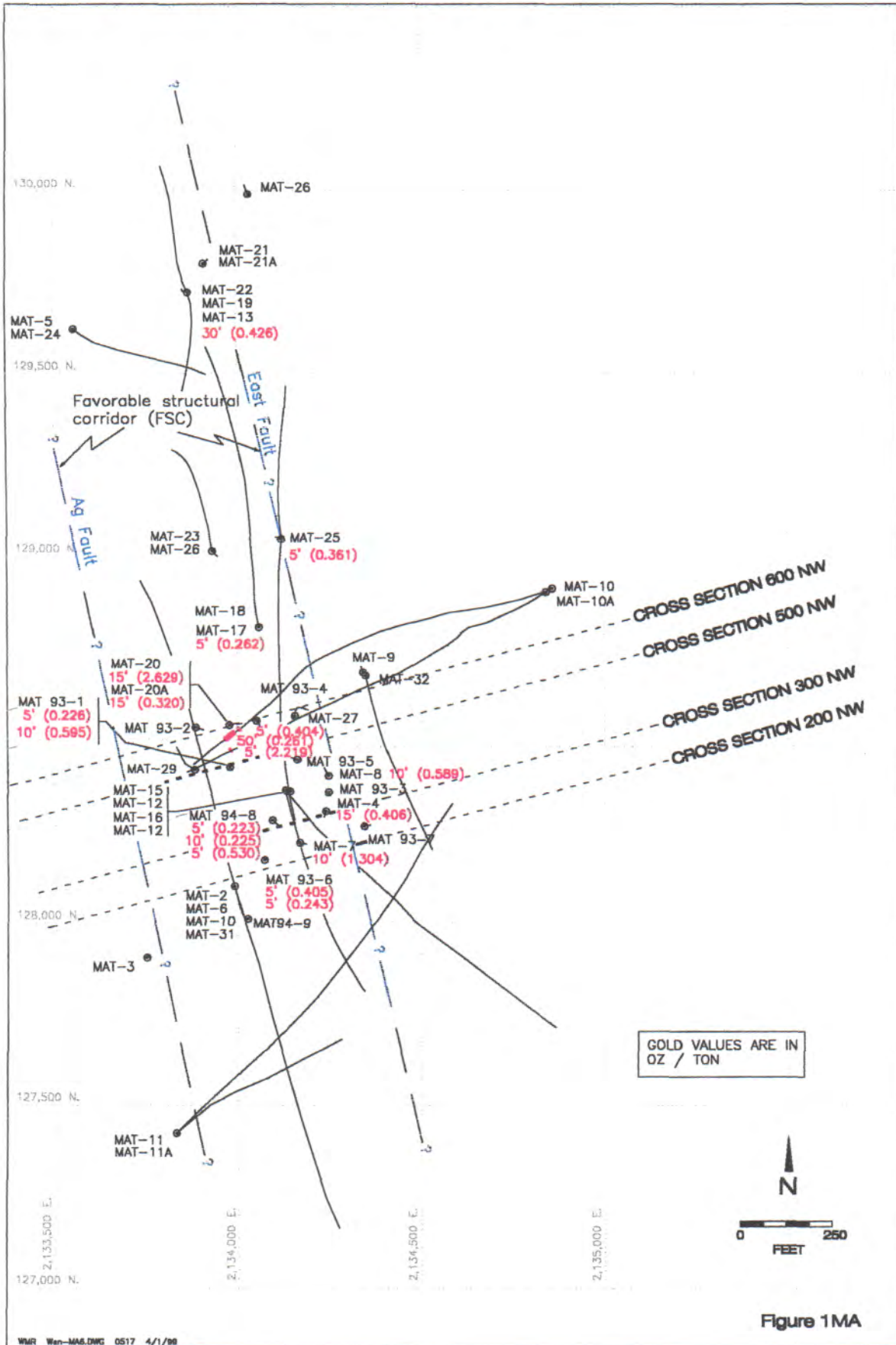
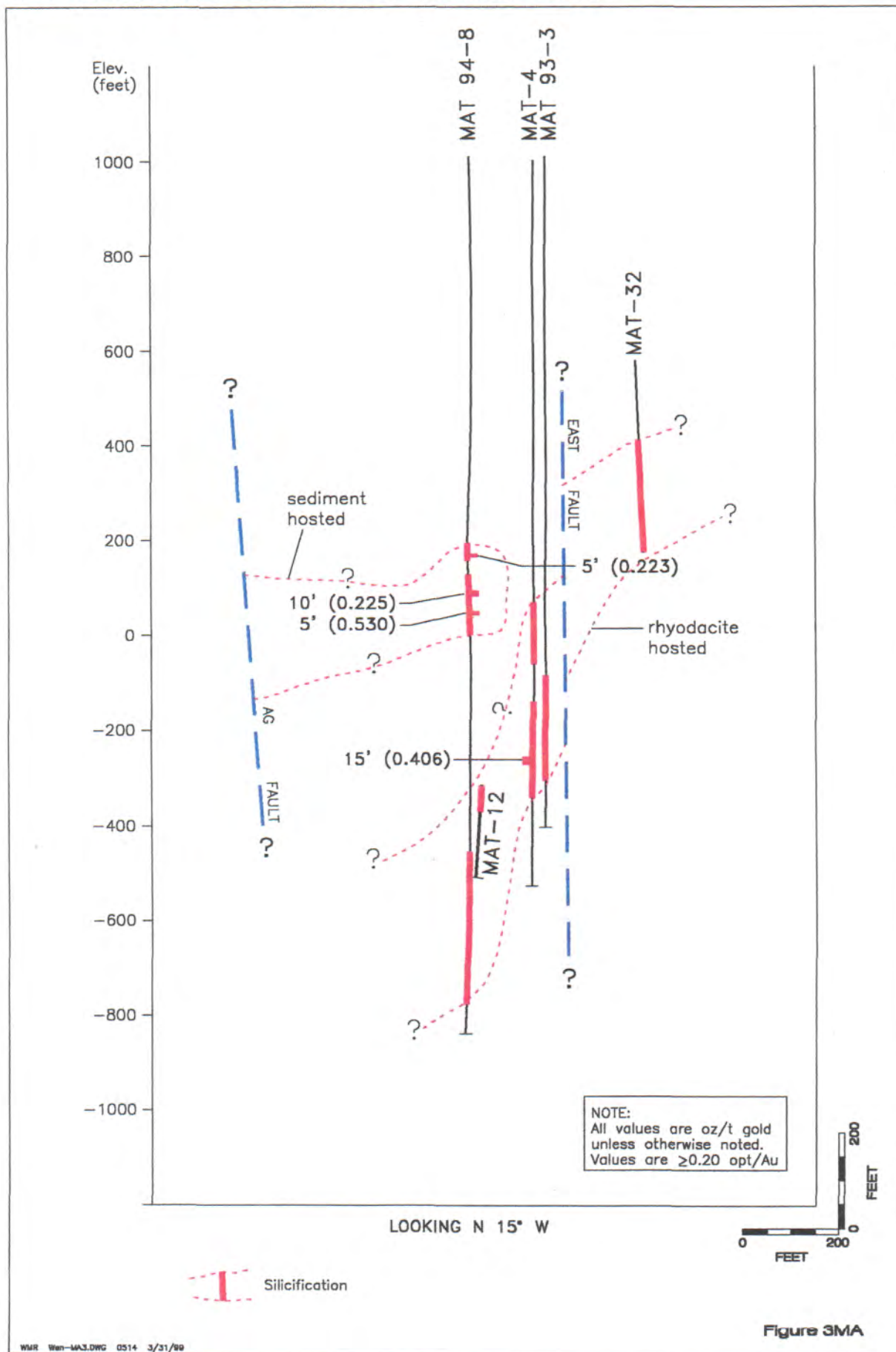


Figure 1MA

WASHINGTON, Wenatchee Gold Belt



MATTHEWS PROPERTY CROSS SECTION 300NW



WASHINGTON, Wenatchee Gold Belt



MATTHEWS PROPERTY CROSS SECTION 500NW

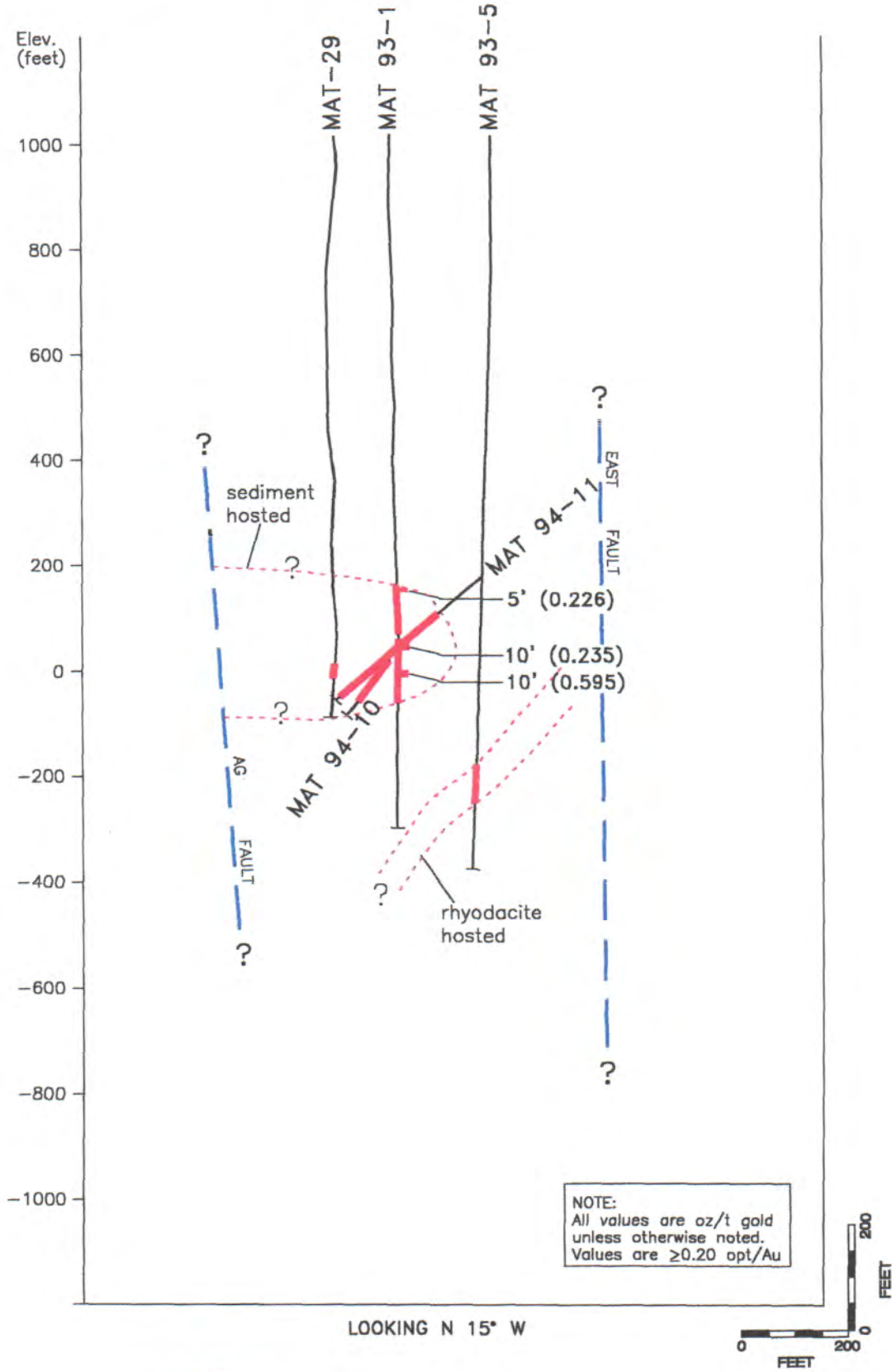
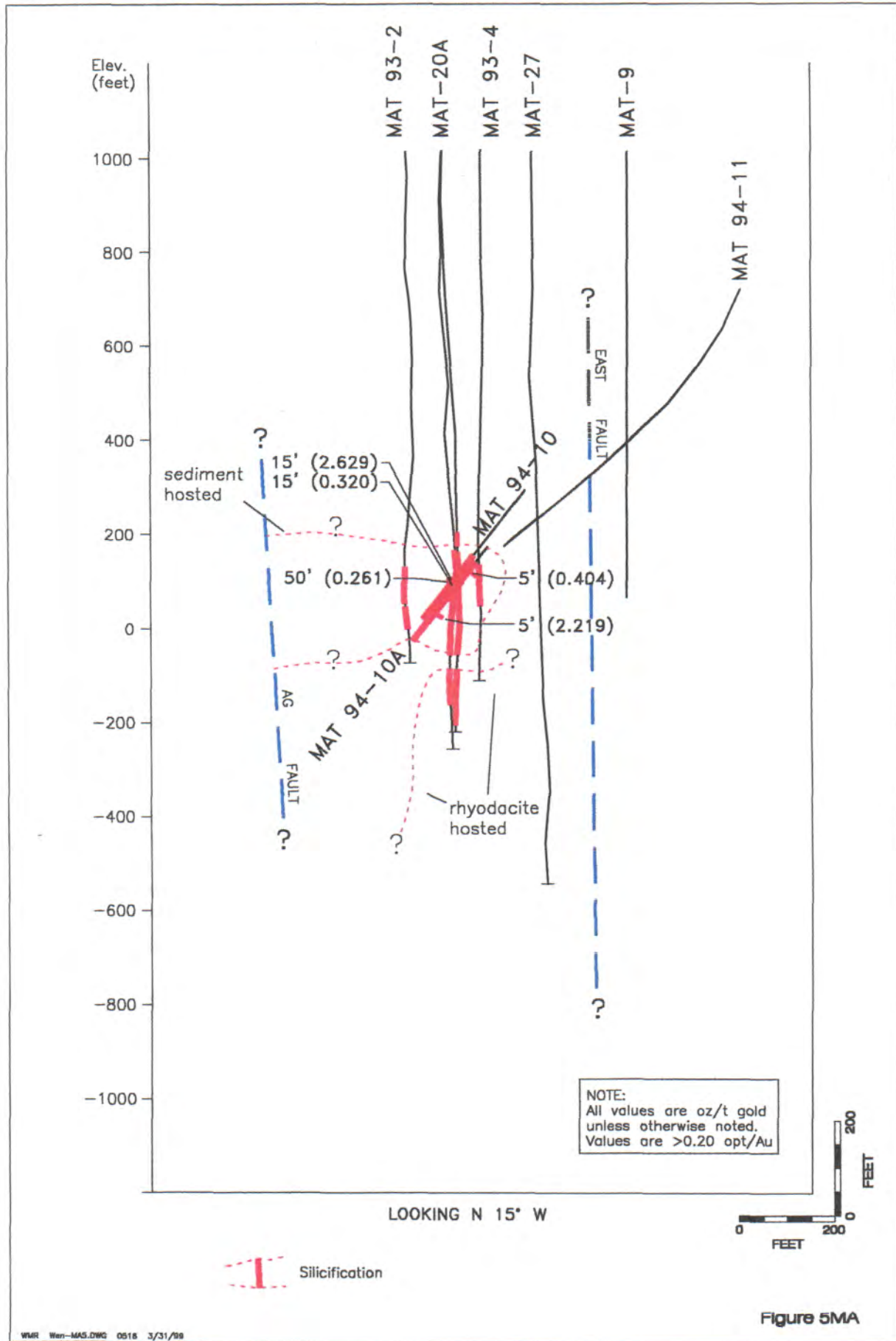


Figure 4MA

WASHINGTON, Wenatchee Gold Belt



MATTHEWS PROPERTY CROSS SECTION 600NW



WASHINGTON, Wenatchee Gold Belt

DISCOVERY POTENTIAL

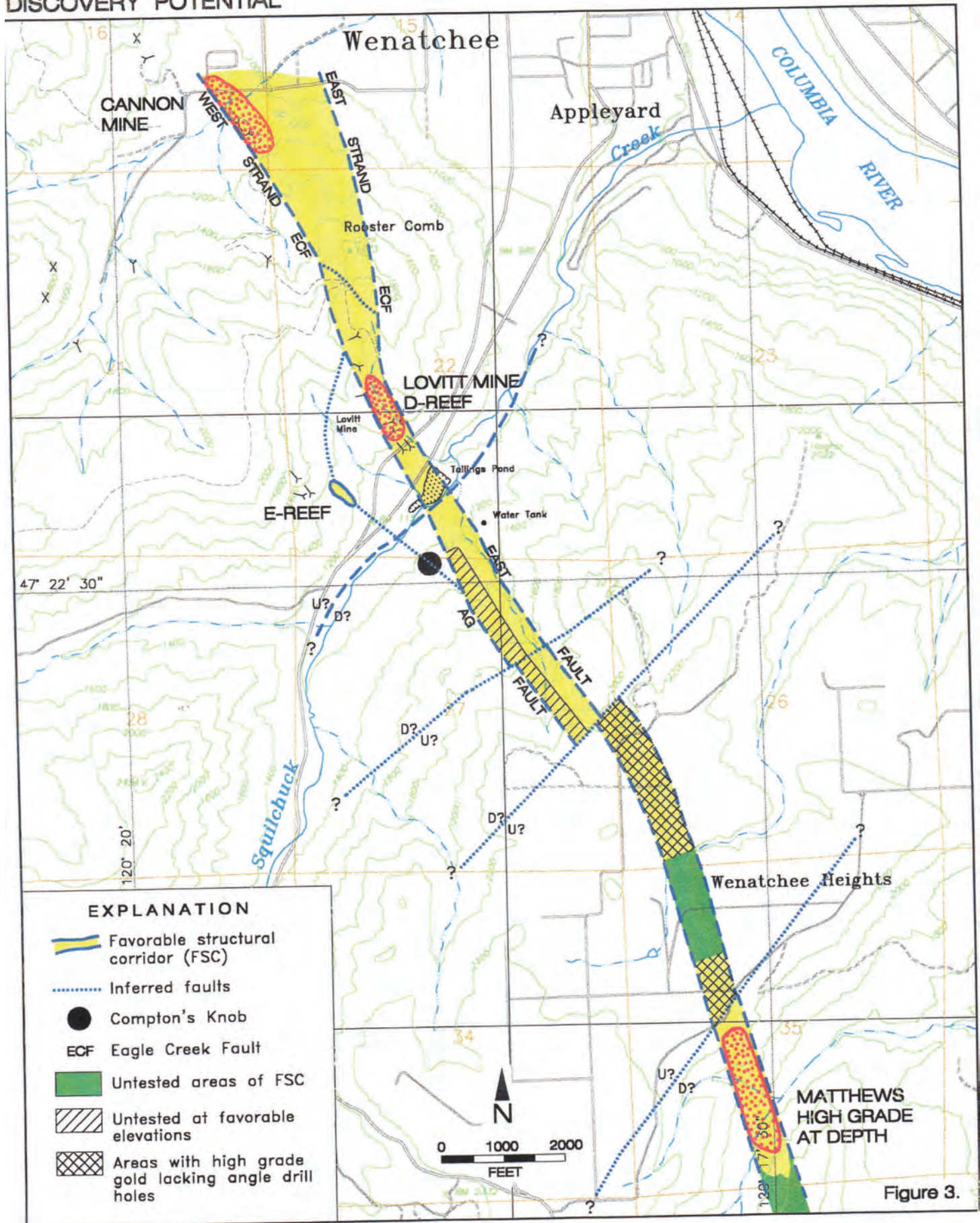


Figure 3.

WASHINGTON, Wenatchee Gold Belt

LONG SECTION LA - LA' IN FAVORABLE STRUCTURAL CORRIDOR (FSC)

