

## SK Project Summary – January, 2019

### SUMMARY

The SK project is a drill-ready, intrusion-related copper-gold deposit on the Battle Mountain - Eureka (Cortez) trend in eastern Nevada. An airborne magnetic survey clearly shows a group of northwest-trending, 28 MA, granodiorite stocks, and an IP survey indicates wide zones of sulfide mineralization in and around the intrusions. Previous drilling intersected skarn and porphyry-style copper-gold mineralization in an area 2000 feet by 1000 feet. There are at least five styles of mineralization which provide multiple drill targets over a large area. The project is available for lease.

### LOCATION

The project is located south of the Robinson copper deposit at Ely and comprises seven unpatented lode claims covering approximately 140 acres. It lies at the intersection of the well known, NW-trending Battle Mountain - Eureka trend and a prominent EW-trending lineament. It is also central to a large arcuate feature, visible on satellite imagery.

### GEOLOGY, DRILLING AND MINERALIZATION

The project hosts a northwest-trending group of Tertiary granodiorite stocks, which intrude a thick section of Paleozoic sediments. The intrusive complex has been dated at 28 MA and has been subdivided into seven different phases.

An early round of core drilling intersected thick zones of base and precious metal mineralization with numerous, thinner, higher-grade zones. Hole SK-1 is 1000 feet north of SK 2 and intersected a series of mineralized skarn zones adjacent to altered dikes of granodiorite and quartz monzonite porphyry. Hole SK-2 intersected thicker zones of similar mineralization. Retrograde alteration consisting of chlorite, actinolite-tremolite and sulfides is very well developed in both endo- and exo-skarn zones. Potassic alteration of the intrusive rocks is evidenced by the presence of locally abundant, shreddy secondary biotite. Summary assays for SK 1 and 2 are shown in Table 1. The samples were not assayed for gold but later sampling of the core showed widespread, anomalous gold values up to 490 ppb. Mineralization is characterized by disseminated sulfides; quartz veinlet stockwork zones with pyrite and chalcopyrite; retrograde-altered skarn zones in both sedimentary and igneous rocks; replacement zones in limestones and dolomites; and siliceous veins.

	From (ft)	To	Interval (ft)	Cu ppm	Pb ppm	Zn ppm	Ag ppm
SK-1	469	744	275	2070	24	2351	3.7
SK-1	1053	1207	154	1901	63	1711	4.5
SK-2	1142	1503	361	1755	286	1306	11.7

In 1974 a Canadian junior company drilled a percussion hole about 350 feet north of hole SK-1, and it contained the following assays, Table 2. The upper zone of high zinc values and the

increasing copper values with depth suggest classic porphyry-style zoning.

	From (ft)	To	Interval (ft)	Cu ppm	Pb ppm	Zn ppm
BC-7	230	480	250			3700
	420	545	125	1900		
	450	500	50	2600		

In 2008 another Canadian junior company permitted an 18 hole drilling program, but was unable to secure a drill rig to complete the program. There are numerous old prospect pits within a 3000 foot-wide structural zone dominated by WNW-trending faults. The structural zone contains pits, shafts and adits that explore siliceous veins, replacement zones in the limestones and dolomites, skarn zones at the dike-sediment contact, and disseminated sulfide (oxidized) mineralization in strongly altered porphyry dikes. Select dump samples from the workings contain up to 0.11 oz Au/ton, 55 oz Ag/ton and 1.7% Cu, along with significant Zn and Pb values. Most of the dump samples also contain very high levels of arsenic.

There are also several zones of anomalous base and precious metals away from holes SK1 and 2 that are in very favorable sedimentary host rocks and could represent distal-disseminated deposits related to the porphyry systems. Dark, calcareous shales host stratigraphically controlled, zinc-rich (3,000 ppm) gossans in the distal zones.

## **GEOPHYSICS**

A 1992 detailed airborne geophysical survey has delineated several very strong magnetic anomalies related to the stocks. A 2007 IP survey discovered a large zone of high chargeability (high sulfide content) surrounding holes SK 1 and 2.

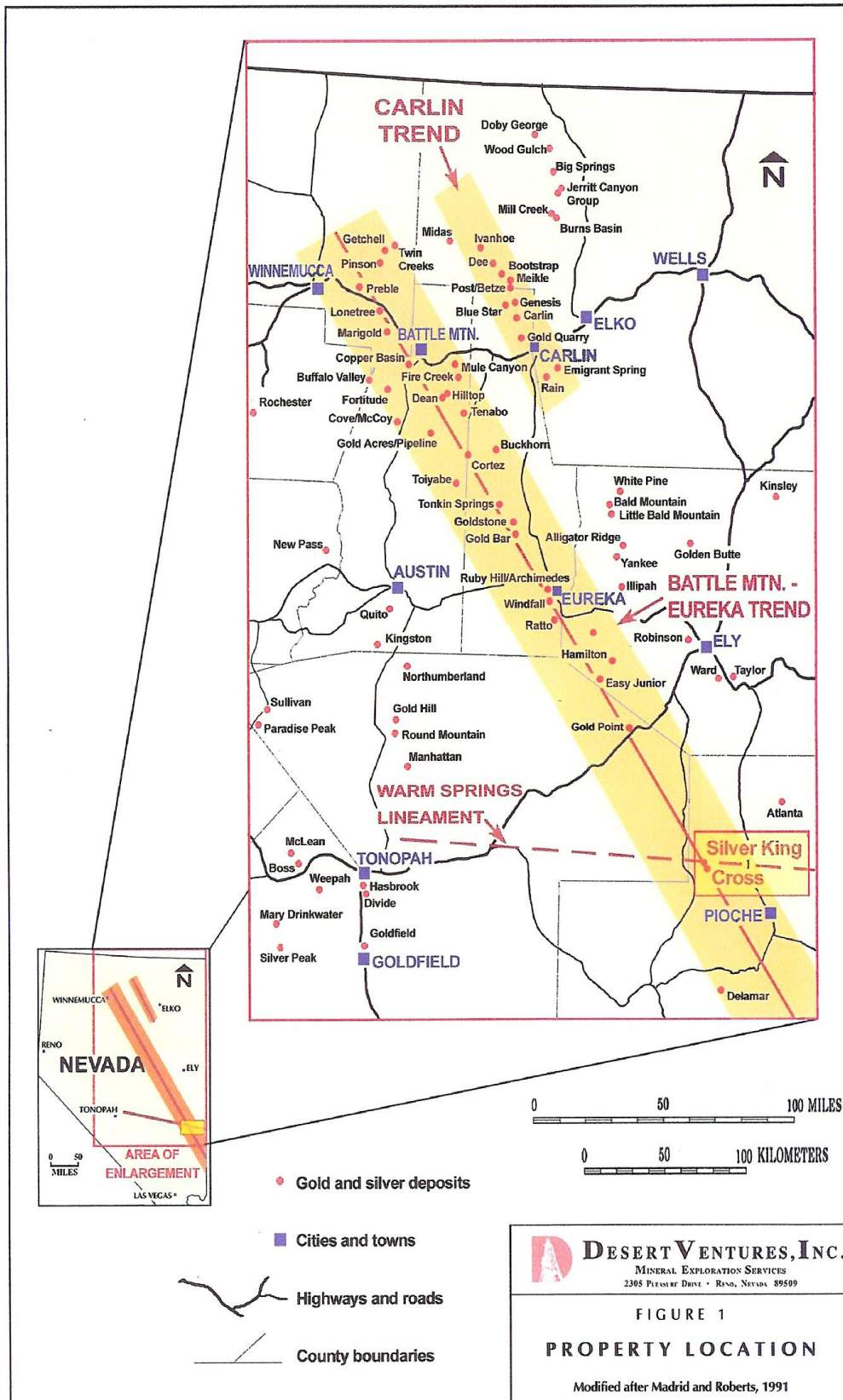
## **EXPLORATION MODEL**

The close association of major structural trends, intermediate composition intrusive rocks and Nevada mineral deposits is well documented, particularly in the Battle Mountain Gold Belt. Many of the deposits have both base and precious metals, and the Archimedes deposit at Eureka, Nevada had an announced a resource of 5 million tons at a grade of 0.15 opt. The Archimedes deposit is associated with the base metal mines of the Eureka district. Precious metal production from the Battle Mountain district has far exceeded the value of the early copper mines.

A comprehensive report on the project is available pending signing a standard Confidentiality Agreement with a one year and one mile Area of Influence.

For Further Information please contact

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FIGURE 1  
**PROPERTY LOCATION**

Modified after Madrid and Roberts, 1991