

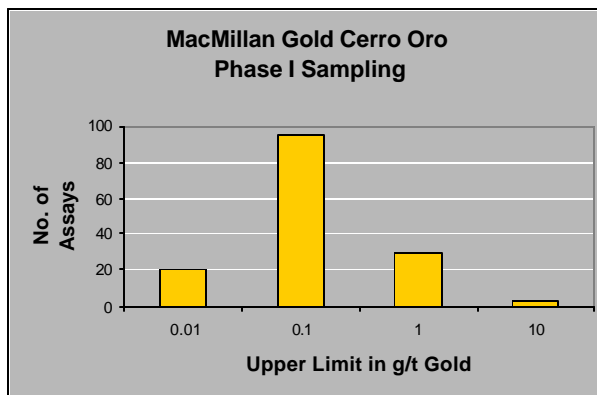


BY JIM STEEL, B.SC.(GEOL) MBA P.GEO.

MacMillan Gold Inc. (MMG-V \$0.21)

MacMillan Gold shares have been languishing round the 20c mark, under some pressure from unknown individuals seeking to unload their holdings perhaps to exercise warrants due March 7, 2003. After that point, watch for renewed optimism and likely more share stability.

The company reported first phase sampling results from Cerro Oro. The sampling is set on grid lines 500m apart with sample sites 200m apart. As mentioned previously, the grid spacing is sufficiently vast that correlation may be difficult between two point sources on adjacent lines. However, this begs the question as to how to interpret consistent assays across FIVE lines (2500m) as is indeed possible with a 0.1+ g/t gold contour. That is, assays on five successive east-west lines across a north-south area of between 500m and 2000m return consistent 0.11 g/t gold to 0.75 g/t gold. This area also includes the off-the-scale >2 g/t assay value referenced in the news release. Perhaps regrettably, this value is an anomalous point source.



The chart on the left shows the distribution of gold assays on a log scale – that is, out of the 133 samples in the current program, 93 of them ran between 0.01 g/t and 0.1 g/t. There were 30 samples between 0.101 g/t and 1.00 g/t. And, three samples greater than 1.01 g/t and less than 10.0 g/t.

Normally you would assume a background value of 5-10 ppb, or 0.005 – 0.010 g/t, and there were a number of these in the data. Even if we assign a background expected value of 100 ppb which itself implies a global gold mineralizing event, there is still a

statistically significant population of samples higher than 100 ppb. More statistics – there is no appreciable silver in these assays. There is frequently a high amount of arsenic, but not associated with the gold-bearing areas you might consider mining. There is no appreciable zinc or lead, suggesting that Cerro Oro is a pure gold system rather than a classic Mexican silver-gold-zinc-lead environment as seen at neighbouring Western Copper.

Caveat

Interesting geochemical gold grades at surface do not necessarily presuppose definable gold-bearing structures under the surface that would be interesting to mining engineers. The next step would be to focus geochemical sampling and mapping efforts in the area of the most interesting gold assays to see just how anomalous they are in a global mineralizing context. As such, don't interpret these results as anything more than geochemically interesting – they justify the merit of accelerating the exploration program and that is where the future value (if any) will be defined.

Disclosure

The author of this analysis participated in a private placement in MacMillan Gold shares in March, 2002. He owns 100,000 free trading shares, 100,000 shares restricted from trading until March 7, 2003; and warrants for an additional 100,000 shares that expire March 7, 2003 and which as of the date of this report have not been exercised.

Jim Steel MBA P.Geo. – Managing Director, Mining Insights Inc.

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