

REPORT

on

KATHIX MINING CO. LTD.

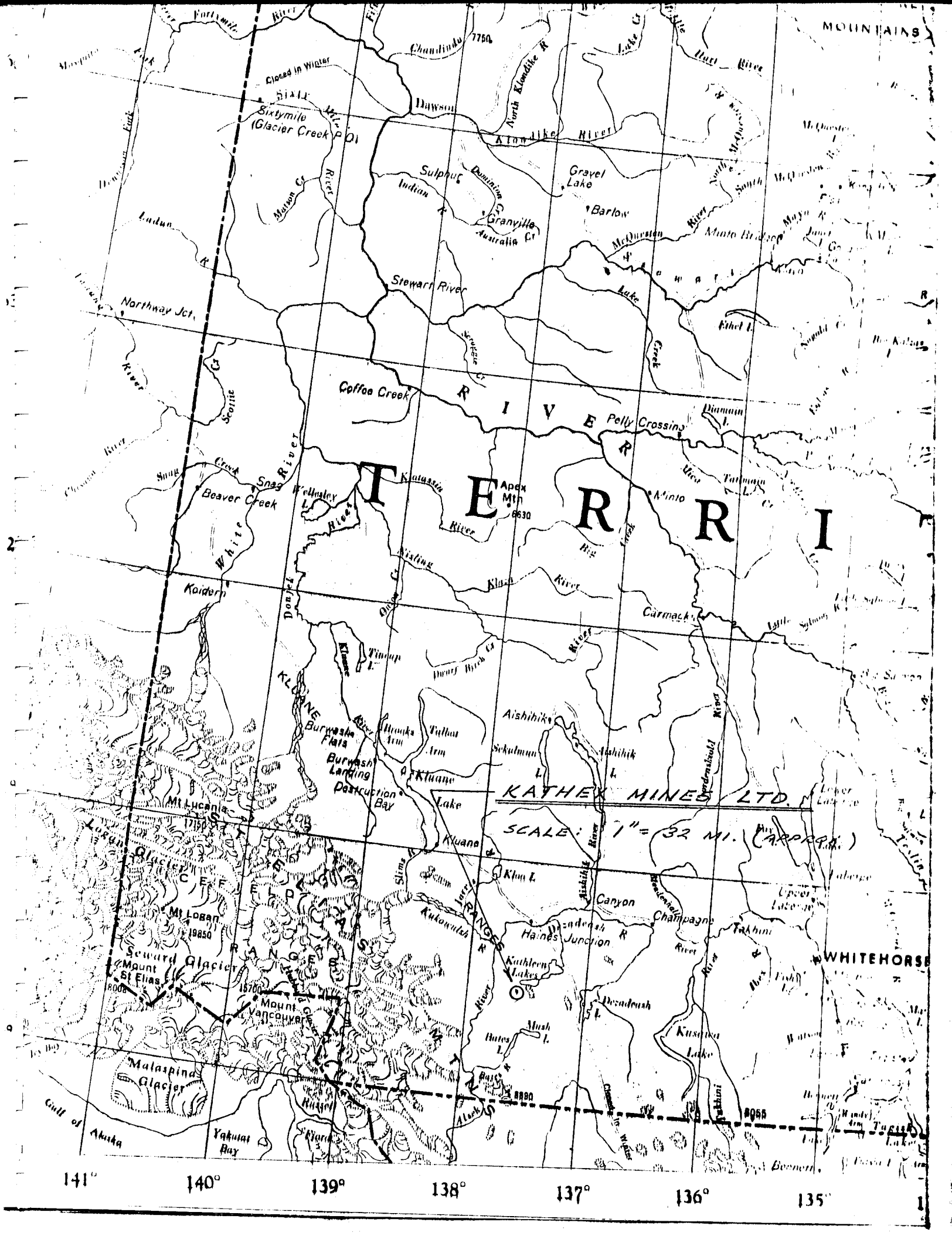
DEEADBEACH AREA, Y.T.

by

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Vancouver, B.C.

April 30th, 1969.



MOUNTAINS

KATHERINE RIVER

KATHERINE MINES LTD.

SCALE: 1" = 32 MI. (APPROX.)

WHITEHORSE

141° 140° 139° 138° 137° 136° 135°

TABLE OF CONTENTS

	<u>Page</u>
PROPERTY AND LOCATION	1
ACCESS	1
HISTORY	1
GENERAL CHARACTER OF THE AREA	2
GEOLOGY	2
MINERALIZATION	3
RECOMMENDATIONS	4
ESTIMATED EXPLORATION COSTS	5

PROPERTY AND LOCATION

The property of Kathex Mines Ltd. is comprised of 93 claims as follows:

1. 31 claims of the original Johobo Mines Limited property:

Jean, Jean 1 and 2
 Roy
 Joy 1 - 4
 Star 1 - 6
 Sockeye 15-16
 Bell 1 - 6
 Tess 23 - 31

2. 32 claims, Mag 1 - 32, situate 2 miles southeasterly of the above claims.

3. 30 claims, Mag 33 - 62, contiguous to the Johobo property at its northwest corner.

The property is in the southwest corner of Yukon Territory, in the Kathleen Lakes section of the Dezadeash area.

ACCESS

The Haines road passes within 18 miles (ENE) of the property. A dirt road is built to the property along the south side of the Kathleen Lakes valley.

HISTORY

In 1953, E.D. Kindie¹ noted "evidence of copper mineralization on a small creek 2 miles southeast of Sockeye Lake". Johobo Mines Limited was eventually formed on these showings and, in 1959,

1. Dezadeash Map - area, Yukon Territory. G.S.C. Mem. 268, p.1.

Conwest Exploration Company Ltd. drilled four holes in the vicinity of one of the showings.

The property was optioned by Cerro Corporation in 1960 and investigated by that company until September, 1961. Then the property, which consisted of 58 claims at that time, was acquired for shares and cash by Dominion Explorers Ltd. To this time about \$240,000 worth of high grade copper ore had been shipped and Dominion proceeded with further development upon acquisition of the property. During 1962, 11,050 tons of high grade copper ore were shipped via Haines, Alaska, to the Tacoma smelter.

GENERAL CHARACTER OF THE AREA

The property is in the Klusane Ranges immediately east of the St. Elias Mountains. The slopes are steep, generally in excess of 35°.

The old Johobo camp is in a valley at an elevation of 2,725 feet. The valley bottoms are forest covered as are the slopes, up to 4000 feet. White spruce is the most plentiful tree.

The workings are at elevations of 3300-3500 feet.

All drainage is westerly into Sockeye Lake, thence easterly into the Kathleen Lakes.

GEOLOGY

The Dezadeash area was mapped by E.D. Kindle and he designated the rocks in which the copper deposits occur as the Mush Lake group of Triassic and Jurassic (?) age. The group consists mainly of andesitic volcanics with minor sediments.

The massive character and shattered aspect of the andesites mask internal structures. The belt, however, trends northwestward as do intercalated sediments which dip 45 to 60 degrees northeasterly.

The Mush Lake group is overlain on the northeast by Lower Cretaceous sediments of the Dezadeash group.

MINERALIZATION

Mineralization consists of chalcopyrite, bornite and some pyrite. Minute amounts of chalcocite and covellite occur as supergene coatings on the higher grade ore.

Occurrences of economic importance have been investigated at two localities on the property. The Bornite Creek showings are in the northeast corner of Star #3 claim and what is referred to as the Main Show is in the northeast corner of the Jean #2 claim and the northern tip of the Sockeye #16 claim.

Mineralization in the Bornite Creek showings consisted of lenses and pods of massive bornite with only very minor chalcopyrite. The host is andesite porphyry; the mineral is localized along N.80°E to east-trending fractures. There are two sets of these, one dipping 65° to 80° south and one dipping 10° to 15° south. Mineralization in the high angle set tends to terminate upward against gouge in the low-angle set, resulting in limited replacement and the formation of the pods and lenses mentioned above. Individual pods varied in size up to 50 tons.

Mineralization in the Main Show area consisted of chalcopyrite and bornite with minor pyrite. High grade lenses varied from all

bornite to all chalcopyrite with mixtures of the two being common. Low grade mineralization consisted of mixtures of chalcopyrite and pyrite. Unlike the rock at the Bornite Creek showings, which is relatively unaltered, the host rock at the Main Show is intensely silicified. As the name implies, most of the mineral mined came from the Main Show area, much of it from underground.

Faulting is very common in the mineralized areas and resolution of its effects is by no means simple.

RECOMMENDATIONS

Showings of copper ore are known at two localities on the property. Although these occurrences appear to be rather limited in size, the grade is most attractive and a search of the remainder of the property for similar mineralization is a very worthwhile project.

In making such a search, geological mapping and an electromagnetic survey are recommended. With regard to the latter, Turam would likely have the best chance of successful interpretation in view of the topography.

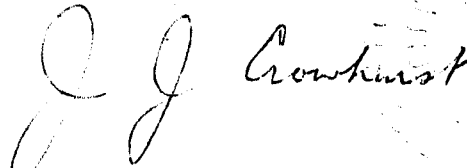
Any favourable indications would have to be checked by diamond drilling and past experience suggests that this would of necessity be closely spaced.

ESTIMATED EXPLORATION COSTS

Rehabilitation of mine road	\$7,500
Rehabilitation of camp	3,000
Marking and cutting of 100 miles of line, lines 1 mile long and 200 feet apart	15,000
EM (Turam) survey	18,000
Drilling geophysical indications 10 holes - 4000 feet @ \$15.00/ft.	60,000
Supervision, engineering and geology, 4 months	<u>8,000</u>
	\$111,500
Omissions and contingencies	<u>13,500</u>
	\$125,000

Respectfully submitted,

BACON & CROWHURST LTD.



J.J. Crowhurst, P.Eng.