

REPORT ON
THE BLACK AND MY CLAIMS NEAR
ROSS RIVER, Y.T.,
PREPARED ON BEHALF OF
MARGE ENTERPRISES LIMITED

BY
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and
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BLACK 1-16

61° 47' N
131° 22' W

MY 1-21

61° 49' N
131° 27' W

105-G-14

February 14, 1977

106 G/14

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1.0 SUMMARY AND RECOMMENDATIONS

1.1 Summary

The sixteen Black claims and the four MY claims are two non-contiguous parcels separated by about 3 miles, and located about 30 miles southeast of Ross River, Yukon Territory.

The Black claims were previously prospected and have coincident magnetic, EM, gravity and geochemical anomalies which have been only partly tested by drilling. The claims are underlain by graphitic and pyritic muscovite schists and phyllites, which are correlative with the favourable host rocks in the Faro-Vangorda District. The MY claims are contiguous with property held by Yukon Revenue Mines Ltd. and reported to contain numerous altered and oxidized outcrops.

1.2 Recommendations

We recommend that Marge Enterprises Ltd. pursue a geophysical and drilling program on the Black claims and a minor prospecting program on the MY claims. The anomalies on the Black claims are interpreted as being significant, however, they are truncated by a small lake 400 - 800 feet wide and appear to be projected across the lake. The lake might overlies the most important part of the mineralization. We suggest that Marge Enterprises move quickly to take advantage of the ice surface on the lake before spring break-up and extend geophysical work continuously across the lake. Most of the work would be straightforward and could be performed by several geophysical contractors servicing British Columbia and the Yukon.

We would offer a few comments on the proposed Stage I: First, the exact position of the Black claims should be confirmed relative to the previously measured anomalies, and the stations and lines from the previous survey should be recovered to the extent necessary to tie the new and old surveys together. This should be possible in view of the thin snow cover experienced this winter.

As an aid to interpreting the gravity, in particular, but also the magnetics and EM, several holes should be chopped through the ice on Tom Lake and the depth of the lake should be measured by sounding. There is a constraint on timing. This work should be performed before spring break up which may come any time after mid-April of this year.

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We are suggesting at this time that a second stage would be in order, to consist of two to four drill holes totalling about 800 feet. This is subject to the outcome and the interpretation of data obtained during Stage I. Mr. R.O. Crosby, P.Eng., has recommended a drill hole positioned as shown in Drawing 3, based on existing data. The Company should ask Mr. Crosby to re-evaluate this site after data are acquired over the lake surface.

1.3 Estimated Costs

The estimated costs of Stages I and II are given as follows:

Stage I - Black claims, confirm and complete geophysical surveys, 20 days, before spring breakup

Wage cost allocated for confirming claim posts, recovering or establishing grid	\$ 750
Wages and instrument rental, 1.5 miles TURAM and Mag survey	2,500
Wages and instrument rental, 1.5 miles gravity survey, level traverses, and bathymetry	2,000
Mobilization and demob to Ross River, incl. travel time	800
Helicopter or fixed wing to Black claims	750
Camp costs	500
Engineering, supervision, analysis of data, design Stage II, report preparation	<u>1,200</u>
STAGE I	\$8,500

Stage II - Drill Black claims, prospect MY claims, after spring breakup, final design of programme contingent upon Stage I.

Diamond drilling, 800'	\$16,000
Mob., demob, camp expenses	5,000
Prospecting, preliminary geochemical survey, MY claims	3,000
Assays and analyses	1,500
Engineering, supervision	<u>6,000</u>
STAGE II	\$31,500

TOTAL STAGES I and II \$40,000

2.0 INTRODUCTION

2.1 Terms of Reference

Nevin Sadlier-Brown Goodbrand Ltd. was engaged by Marge Enterprises Ltd. to review the information available on the Black and MY claims, and to prepare a report advising on a course of exploration. The scope of this report, then, is a review of previously acquired information, set in the context of recent exploration in the Selwyn Basin area of the Yukon.

The senior author, D.W. Goodbrand, supervised geophysical work and drilling on the Black property in 1968 when it was known as the Dol claim group and held by Spartan Exploration Ltd. The junior author, Andrew E. Nevin, is responsible for those aspects of the report which deal with the exploration prospectives gained in the past several years.

Richard O. Crosby, P.Eng., Consulting Geophysicist, reviewed the geophysical information on the Black claims and was instrumental in designing the program proposed herein. Crosby also had been involved in the same capacity in 1968 on behalf of Spartan Exploration while he was manager of the Scintrex office in Vancouver.

Data acquired by Kerr Addison Mines Ltd. in 1966 and by the Spartan Explorations Ltd. in 1968 was loaned to Marge Enterprises through the kind offices of Nuspar Resources Ltd., the successor company to Spartan.

2.2 Tenure

This report describes two non-contiguous groups of claims, Black 1 through 16, Nos. YA 11840 - YA 11855, and MY 1 through 4, Nos. YA 12212 - YA 12215. The MY claims are contiguous with ground held by Yukon Revenue. They are located about 3 miles northwest of the Black claims, and because of prior staking the net area of the MY claims is slightly less than four full sized claims, as shown on Drawing 2.

We are informed by our client that the Black claims were recorded November 24, 1976 and the owners of record are Albert Bondarchuk (1-8) and Ellen Harris (9-16), and the MY claims were recorded December 3, 1976 and the owner of record is Heather Harris. We have not inspected the claims and offer no opinion on their compliance with the Yukon Quartz Mining Act.

2.3 Location and Access

The claims are located about 30 air line miles east of Ross River and the Black claims are about 6 miles north of the Campbell Highway and the Pelly River.

The Black claims are centered on Lat. $61^{\circ} 47'$ N. and Long. $131^{\circ} 22'$ W. and the MY claims are centered on Lat. $61^{\circ} 49'$ N. and $131^{\circ} 27'$ W.

The most practical access is via helicopter or float plane from bases in Ross River.

2.4 Geography

The area is forested with buck brush and small jack pine characteristic of the Ross River area. The Black claims cover most of a lake 400 - 800 feet wide and 4000 feet long, known locally as Tom Lake. Elevations on both the Black and MY claims are about 3000 feet above sea level and the topography is rolling hills.

3.0 REGIONAL MINING GEOLOGY

3.1 Faro - Vangorda District

As is well known the stratiform zinc-lead ores of the Faro-Vangorda District are contained within a muscovite-chlorite schist which is part of a thicker assemblage (Templeman-Kluit, 1972). The series also includes phyllites, graphitic phyllites, pyritic horizons, and impure meta-quartzites. These deposits, the Faro, Vangorda, Grum and Swim zinc-lead bodies, also lie immediately north of the Tintina Fault.

3.2 Claim Area.

The Black and the MY claims, and the ground held by Yukon Revenue Mines Ltd. adjacent to the MY claims, are located about 60 miles southeast of the Faro-Vangorda District and in a similar setting relative to the Tintina Fault. They are underlain by mica schists, argillites, and graphitic phyllites of uncertain age, but correlative on the basis of stratigraphic position and lithology to the favourable rocks in the Faro-Vangorda District. On the basis of geophysics and scattered outcrops the main foliation in the series appears to strike northwest and dip moderately to the northeast.

4.0 HISTORY, GEOLOGY AND GEOPHYSICS

4.1 Exploration History

The area currently covered by the Black claims was first noticed by Kerr Addison Mines Ltd. in 1966 following a regional program which included airborne magnetometer surveys and wide ranging silt sampling programs. It was staked by Kerr Addison as the Davie Group. They conducted ground magnetometer and EM surveys, a gravity survey, and a geochemical survey, on a grid with a 500 foot line-spacing and stations at 50 and 100 foot intervals.

The ground was dropped and restaked in 1968 as the Dol claims by Spartan Explorations Ltd. Spartan reinterpreted some of the data, re-ran parts of the magnetometer and EM surveys, and drilled one vertical hole to a depth of 254 feet.

In light of recent developments in the region it was recently restaked.

4.2 Geophysics

Drawing 3 is a summary of previously acquired geophysical information. The anomalies obtained by the Kerr Addison mag survey, both EM surveys, and the gravity survey overlap on the east bank of Tom Lake and some data are extrapolated to the west bank. The amplitude of the magnetic anomaly is about 9500 gammas against a background of about 9000 gammas. This is a refinement of a pronounced airborne magnetic anomaly on the Slate River sheet. The EM surveys conducted with horizontal loop instruments produced tilt angles as much as 30°, with the contours shown in Drawing 3 at 20 degrees. The gravity field has a significant gradient diminishing to the southwest with pronounced bulges around which the indicated anomaly is drawn.

4.3 Geochemistry

Original data are not available, however, summary maps show zinc anomalies in soil on both sides of Tom Lake, which is in accord with Goodbrand's recollections. Tom Lake lies in a saddle at a drainage divide, and the topography suggests a low degree of transport for the zinc anomaly.

4.4 Drill Hole

Spartan's DDH #1 was drilled on line 10 SE as shown in Drawing 3. It cored 102 feet of graphitic schists, which had occasional serpentine partings. Foliation in the schists ranged from 60 - 85° with the core axis, meaning a steep dip. The schists contained siliceous sections, pyrite which varied from finely disseminated to coarse masses of 10% in local sections of a foot or two.

From 102 feet to the bottom of the hole at 254, dark grey or green argillites were drilled.

Metal values in the hole were low. The best sections were a few feet running 0.3 oz/ton silver, 0.1% Cu, and 0.38% Zn.

5.0 RATIONALE FOR CONTINUED EXPLORATION



It is the conclusions of the authors and Mr. Crosby that the property has not been adequately tested, particularly in view of the recent Grum discovery and other lessons that persistence can pay off on properties underlain by graphitic and pyritic conductors. In 1968 Mr. Crosby had recommended a second drill hole as shown in Drawing 3, which was aborted by the operator after the first hole was drilled. His re-evaluation of these data recently have led him to restate that the second hole should be drilled.

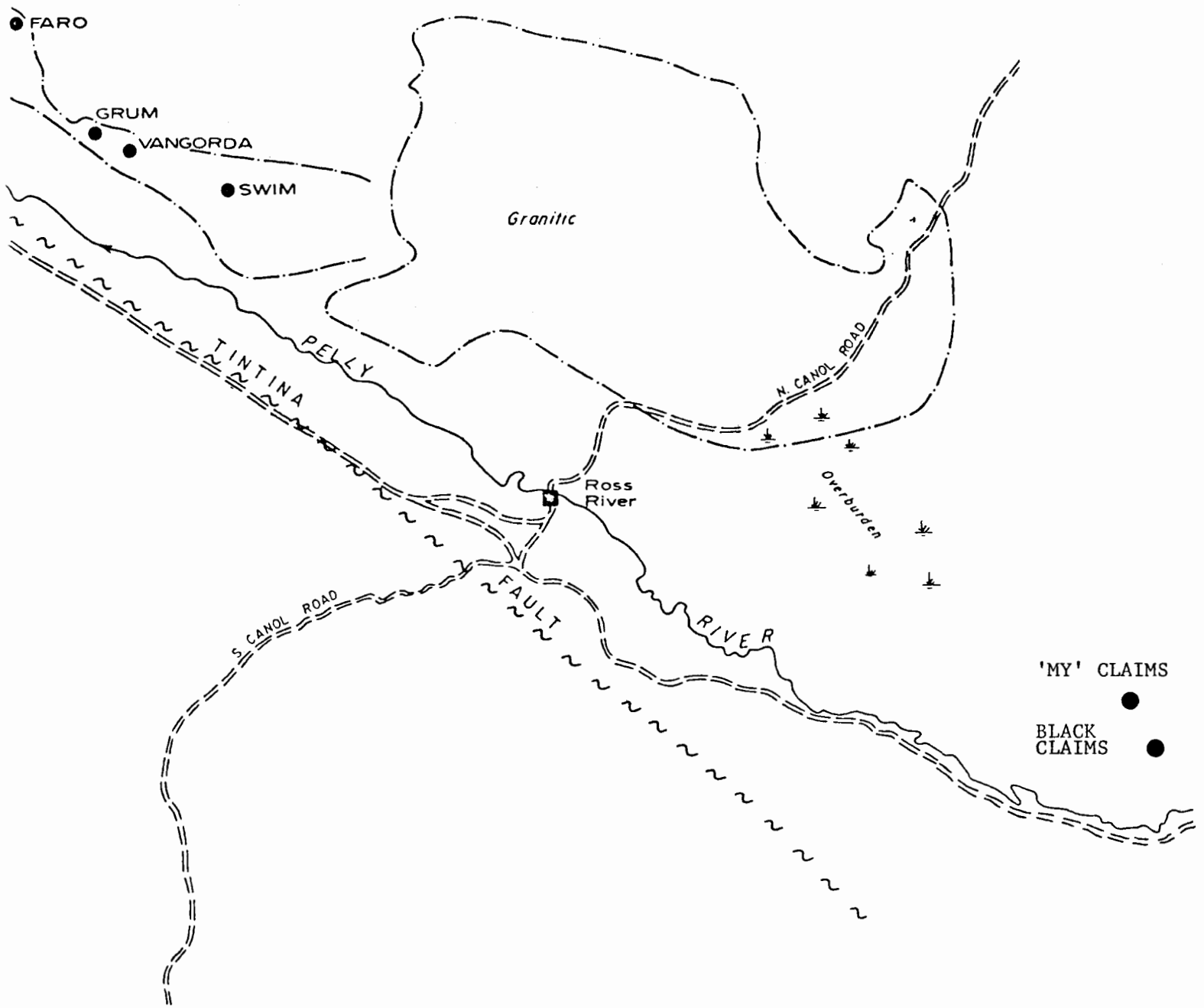
We note also another incomplete facet of earlier work. All of the anomalies appear to project directly across the lake, but the surveys were apparently run during periods of the year when the lake was free from ice, and no measurements were made directly over the lake. Geophysical data which could be obtained by extending the lines across the surface of the lake before spring breakup would be valuable in interpreting the anomalies and geology and could play an important role in planning continued exploration.

Respectfully submitted,

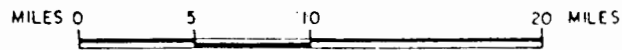

 D.W. Goodbrand and P.Sc.

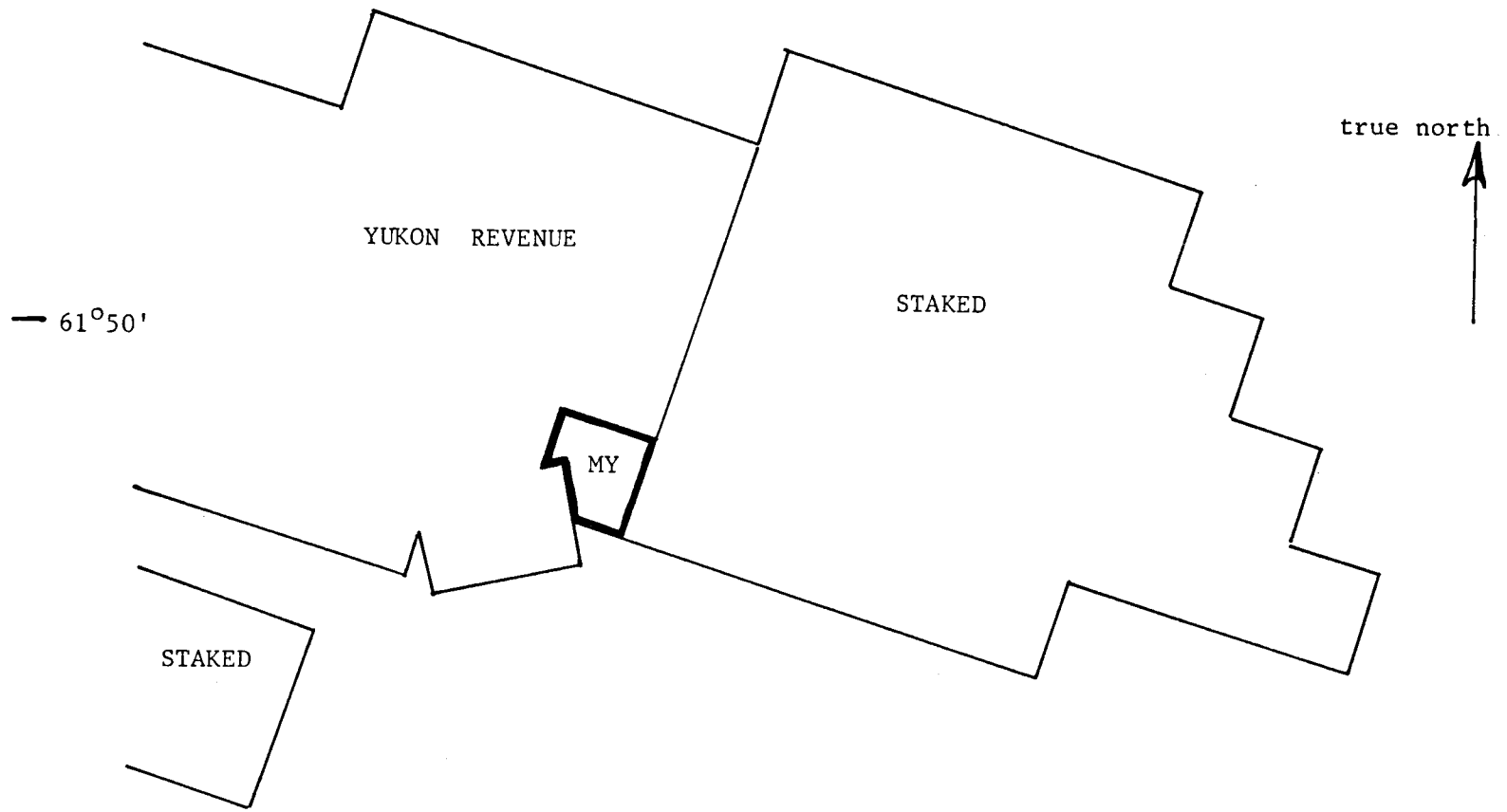

February 15, 1977


 Andrew F. Nevin, P.Eng.




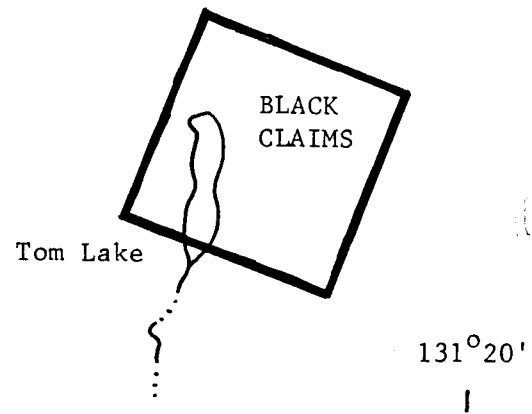
DRAWING 1. -LOCATION OF CLAIMS

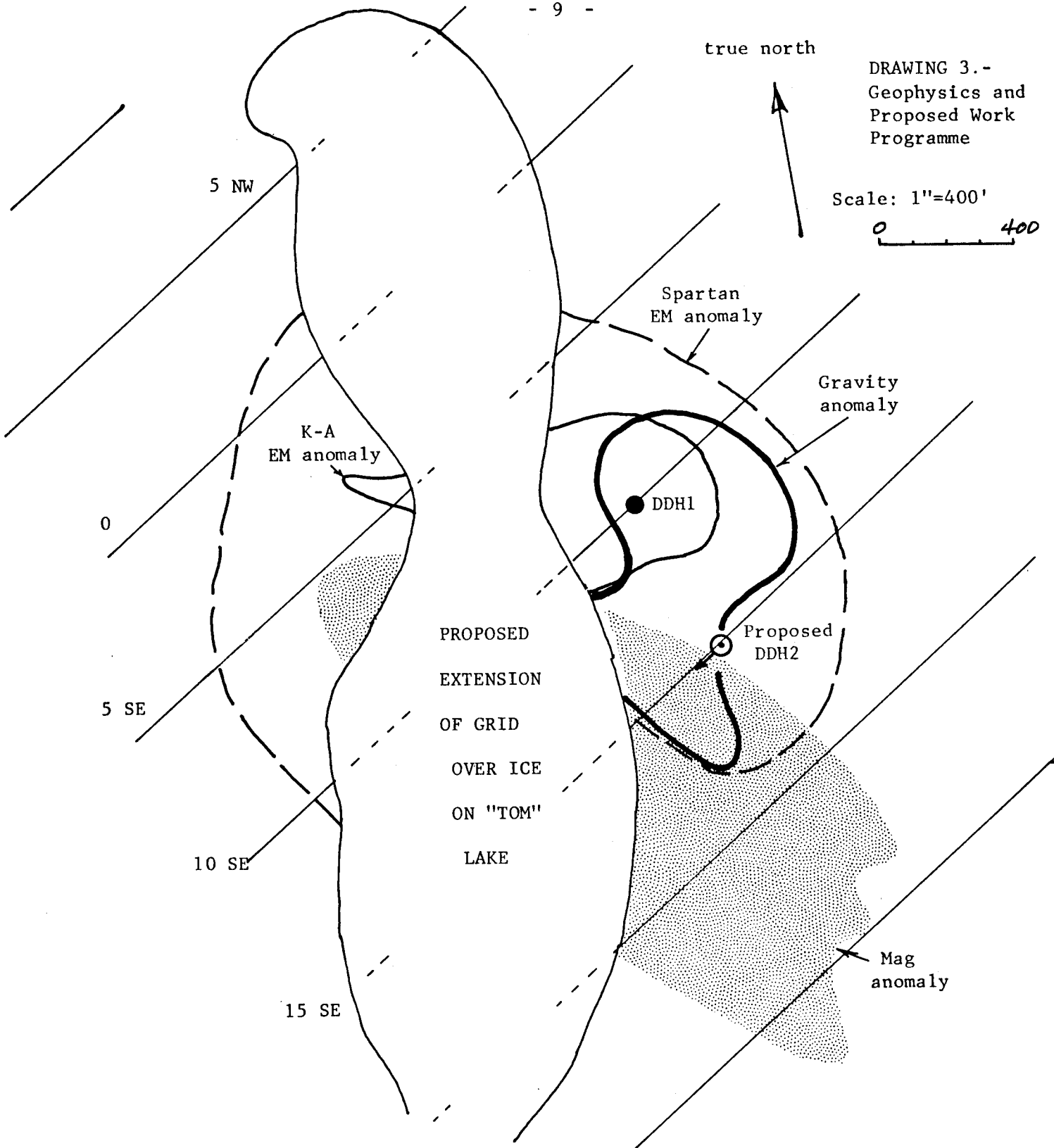




DRAWING 2.-MAP OF BLACK AND MY CLAIMS

Scale; 1" = 1 mile





DRAWING 3.-
Geophysics and
Proposed Work
Programme

Scale: 1"=400'
0 400

PROPOSED
EXTENSION
OF GRID
OVER ICE
ON "TOM"
LAKE

5 NW

0

5 SE

10 SE

15 SE

true north

Spartan
EM anomaly

Gravity
anomaly

K-A
EM anomaly

DDH1

Proposed
DDH2

Mag
anomaly

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