

MICROFILMED

DATE .....

PROSPECTUS  
Aug 1, 1983.  
062165

REPORT  
ON THE  
SUN 1-8 MINERAL CLAIM GROUP  
GRANT NOS. YA54675-YA54682  
HYLAND RIVER AREA  
YUKON TERRITORY  
Lat.  $61^{\circ}39'30''$  W. Long.  $128^{\circ}06'00''$

105-H-9

for

CONQUEST EXPLORATION LTD.  
Suite 704 - 525 Seymour Street  
Vancouver, British Columbia

by

DONALD W. TULLY, P. ENG.

August 18, 1980

West Vancouver, B.C.

with ADDENDUM dated June 1, 1982

DON TULLY ENGINEERING LTD.  
SUITE 102 - 2222 BELLEVUE AVENUE  
WEST VANCOUVER, BRITISH COLUMBIA  
V7V 1C7

TABLE OF CONTENTS

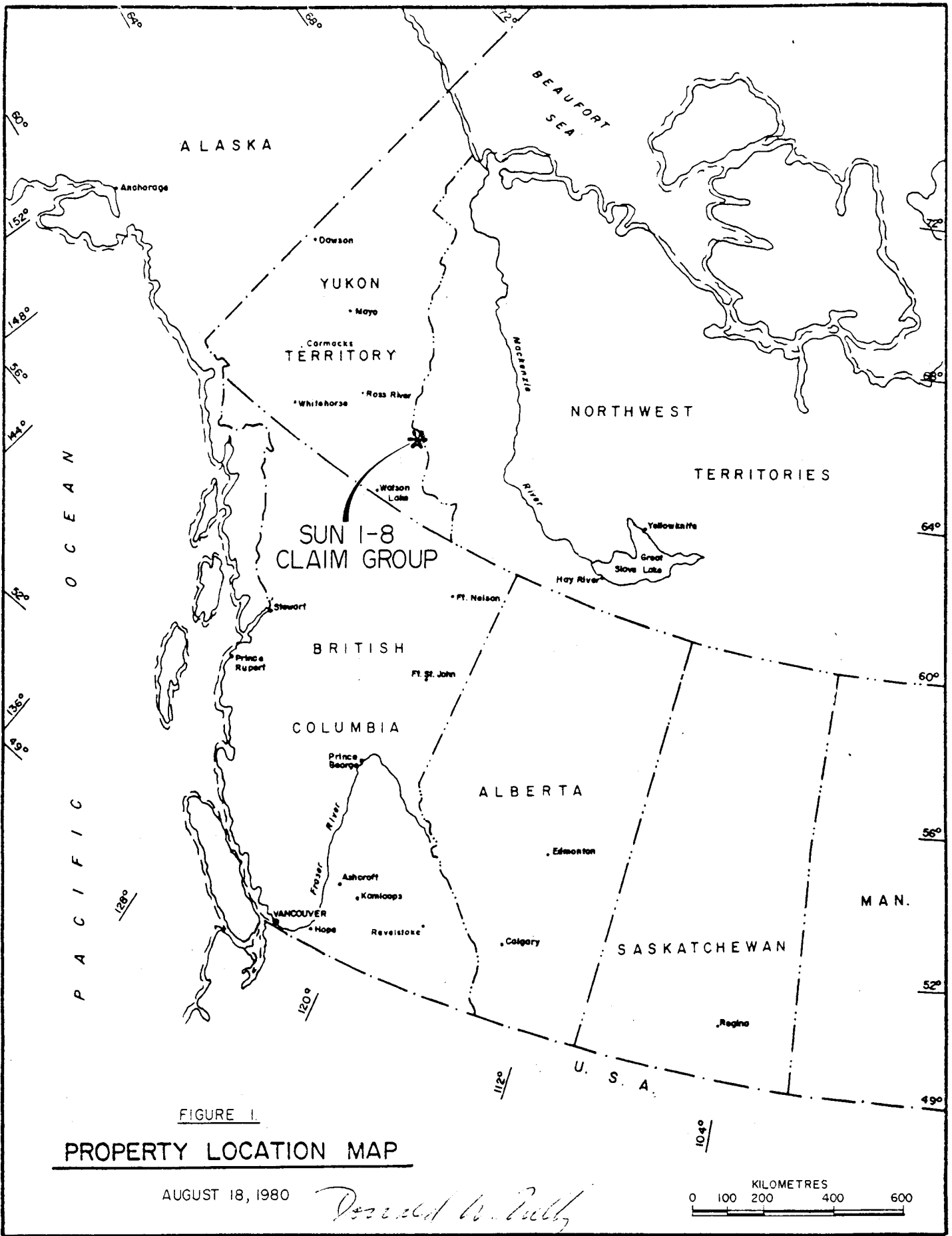
	<u>Page</u>
INTRODUCTION.....	1
SUMMARY AND CONCLUSIONS.....	1
PROPERTY - LOCATION, ACCESS, PHYSIOGRAPHY.....	3
CLAIMS.....	3
HISTORY - PREVIOUS DEVELOPMENT.....	4
REFERENCES.....	4
REGIONAL AND LOCAL GEOLOGICAL SETTING.....	5
MINERALIZATION - ASSAYS.....	6
RECOMMENDATIONS.....	8
ESTIMATED COST OF THE PROPOSED WORK PROGRAM.....	8
CERTIFICATE.....	10
ASSAY CERTIFICATE #8006-2352.....(End of Report)	

MAPS

Figure 1 - Location Map.....(Frontispiece)	
Figure 2 - Area Location Map.....(Following page 1)	
Figure 3 - Topographic Map (After 105-H).....(Following page 2)	
Figure 4 - Claim Plan (After 105-H-9).....(Following page 3)	
Figure 5 - Regional Geology (After GSC Map 6-1966).....(Following page 4)	
Figure 6 - General Geology (After Norquest Joint Venture).....(Following page 5)	
Figure 7 - Detailed Geology (After Norquest Joint Venture - Rain Group - A.F. Reeve, P.Eng., 1965).....(Following page 6)	
Figure 8 - Detailed Magnetic Survey (After Norquest Joint Venture - Rain Group - A.F. Reeve, P.Eng., 1965).....(Following page 7)	

APPENDIX

ADDENDUM DATED JUNE 1, 1982  
Certificate dated June 1, 1982



## INTRODUCTION

This report was prepared pursuant to a request by the Directors of Conquest Exploration Ltd., Suite 704, 525 Seymour Street, Vancouver, British Columbia.

The purpose of this report is to review the previous exploration work done on the SUN property and assess the ground for mine-making potential.

The SUN mineral claims were examined on June 19, 1980 in company with Mr. J.C. Turner, at which time several rock samples were taken of the extensive mineralization.

A program of mineral exploration is recommended.

## SUMMARY AND CONCLUSIONS

The SUN #1-8 mineral claim group is located about 215 kilometres (130 miles) north of Watson Lake, Yukon Territory (Figure 1).

The property is a copper-gold-silver prospect of merit.

Although the ground lies only some 12 kilometres east of the North Nahanni Range (Cantung) Road, access to the property, at the present time, is best by helicopter

The large gossan zone of oxidized sulphide mineralization was noted in the early 1960's and later became known as the RAIN group of claims. The present SUN mineral claim

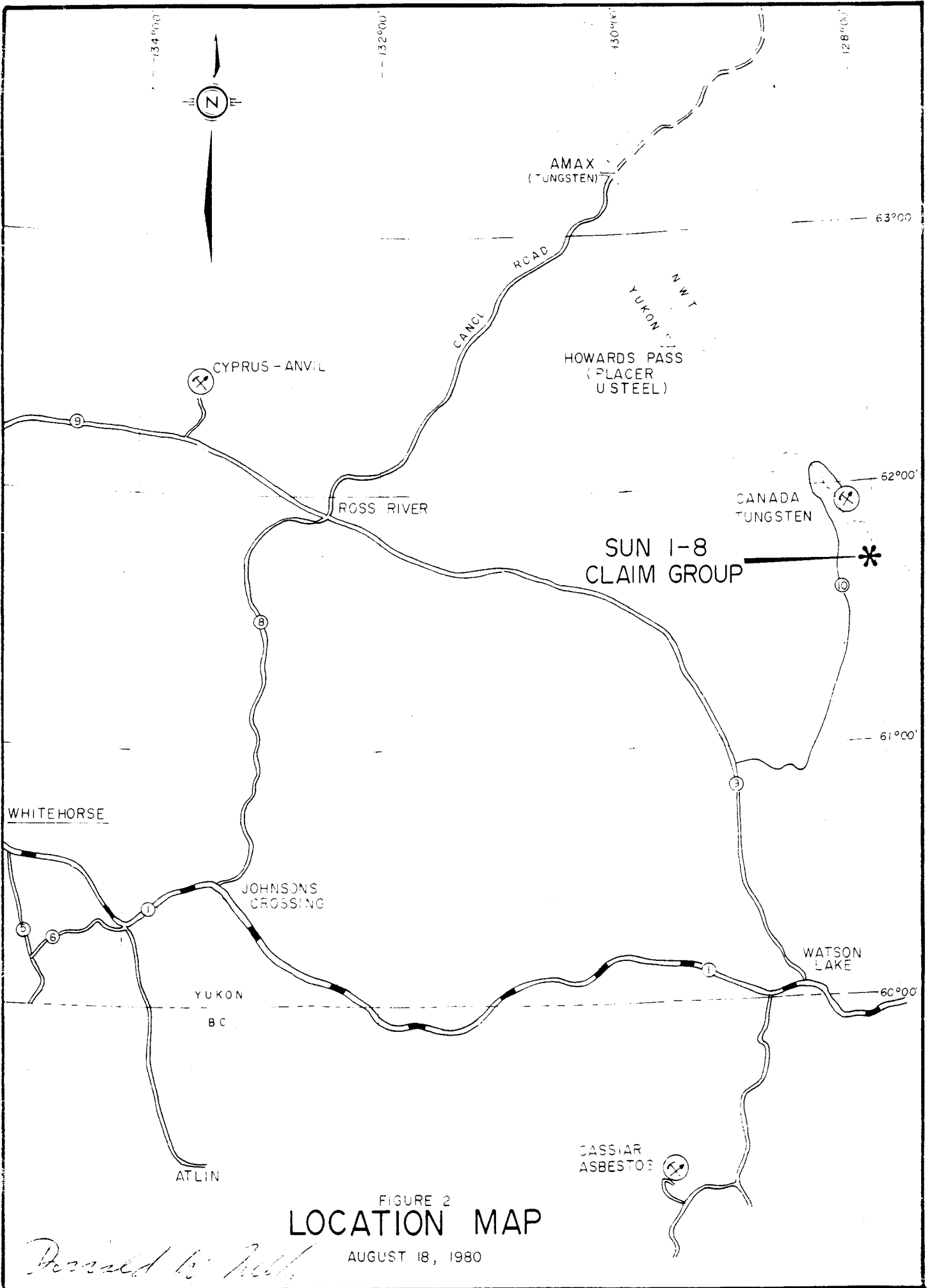


FIGURE 2  
**LOCATION MAP**

AUGUST 18, 1980

*David B. Hill*

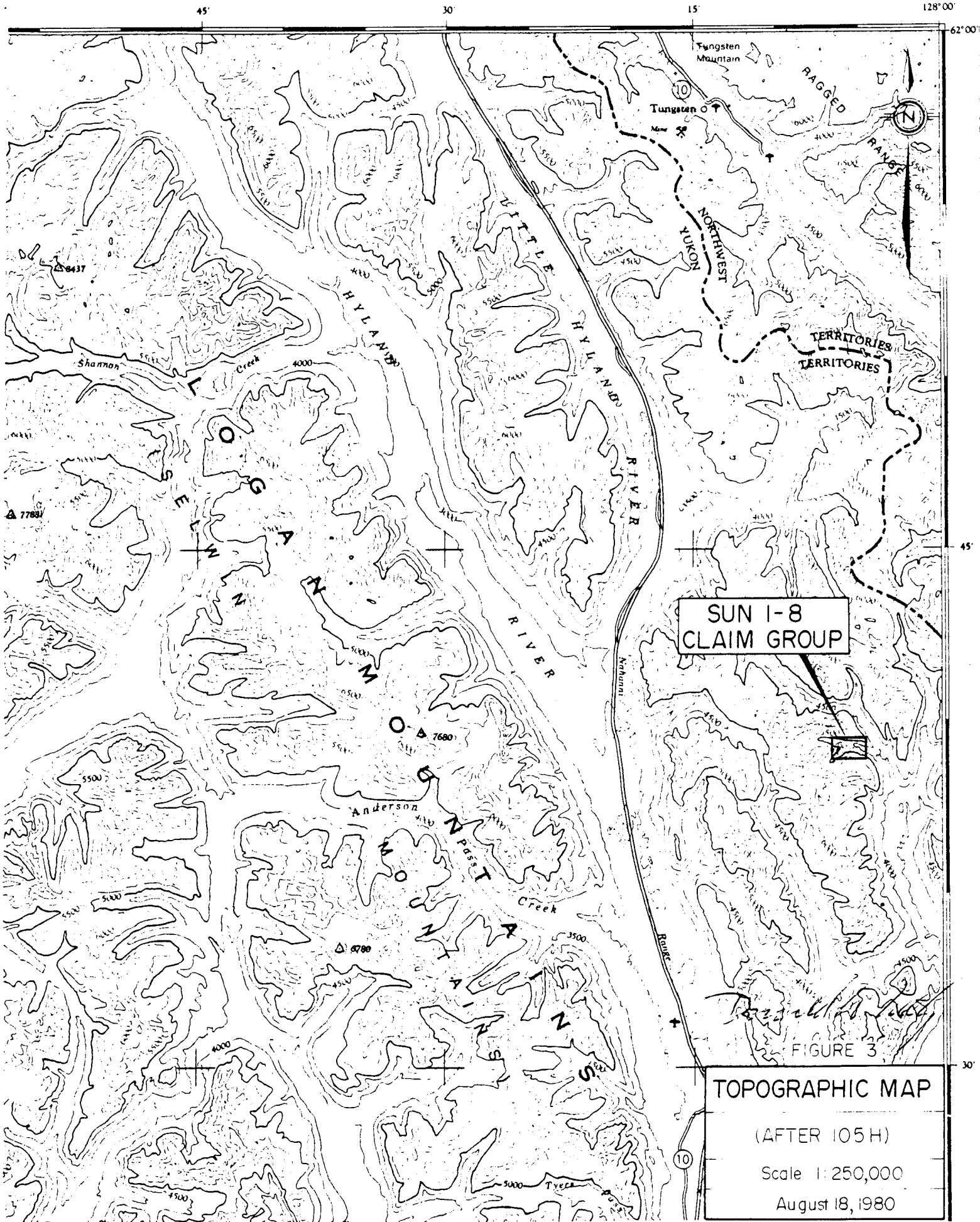
group cover this showing which lies on both the north and south sides of an easterly flowing creek between elevations 4900 and 5400 feet above sea-level. The showing appears to comprise several zones of massive pyrite, pyrrhotite carrying chalcopyrite. Quartz-calcite veins were noted and carry values in lead, gold and silver. The sulphide mineralization appears to be related to zones of pyroxene-rich skarn.

Previous development has consisted of a limited amount of rock trenching, geological and magnetometer surveys by the Norquest Joint Venture Syndicate in the mid-1960's.

The writer took three grab samples during the property examination. The assay results were as follows:

<u>Sample No.</u>	<u>Copper %</u>	<u>Nickel %</u>	<u>Tungsten %</u>	<u>Gold ozs.</u>	<u>Silver ozs.</u>	<u>Remarks</u>
978	0.57	0.002	Trace	0.002	0.17	Massive pyrite and pyrrhotite
979	0.14	.013	0.08	0.038	0.13	Quartz-calcite with galena, pyrite
980	0.08	0.006	0.11	0.026	0.010	Pyroxene-rich skarn carrying quartz-calcite veins and pyrite-pyrrhotite

It is interesting to note that the copper content of the extensive zones of massive pyrite and pyrrhotite mineralization may indeed carry important amounts of chalcopyrite. The sulphide zones extend for more than a kilometre in an east-west direction along the creek valley. The presence of gold, silver and tungsten, in what may be a separate age of mineralization, warrants further investigation.



SUN 1-8 CLAIM GROUP

TOPOGRAPHIC MAP

(AFTER 105 H)

Scale 1:250,000

August 18, 1980

FIGURE 3

It is concluded the SUN #1-8 mineral claim group is under-explored and deserves a diamond drill test to explore the extensive zones of massive sulphide mineralization.

A two-stage program of mineral exploration is recommended at a total estimated cost of \$225,000.

PROPERTY - LOCATION, ACCESS, PHYSIOGRAPHY

The property consists of eight contiguous mineral claims located in the Logan Mountain Range (Figure 3) a short distance east of the North Nahanni Range (Cantung) Road near the Yukon-Northwest Territories boundary in the Yukon. A road access could be constructed from the Cantung Road which would entail a road distance of about 33 kilometres (20 miles). At the present time access is best by helicopter from the town of Watson Lake about 215 kilometres distant to the south.

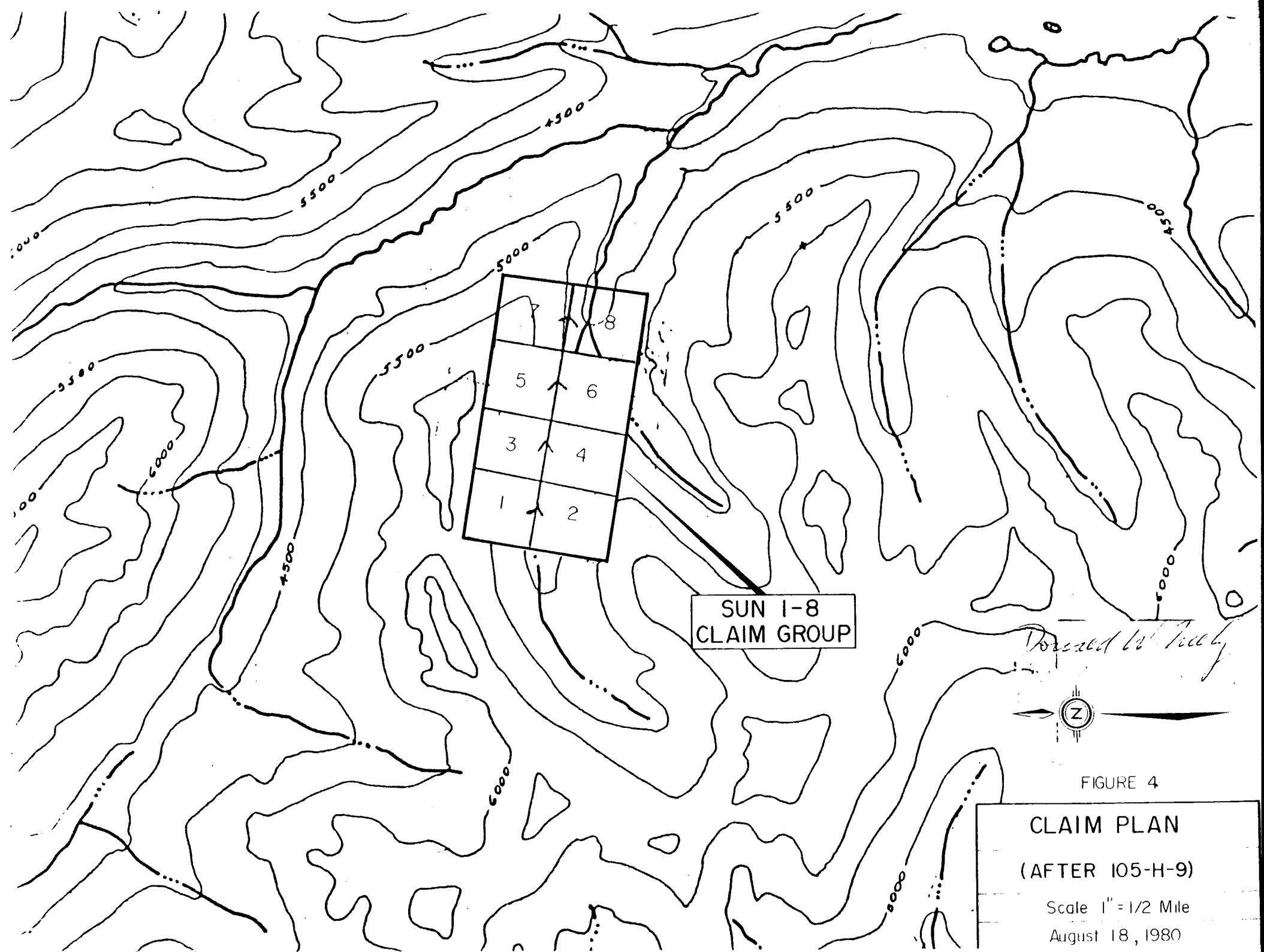
The claim group is situated in an east-facing cirque valley (Figure 6) around elevations 4400 - 5900 feet above sea-level. The property is above tree-line. Ample water is present for any immediate industrial needs in an east-flowing creek that occupies the valley bottom.

CLAIMS

The SUN #1-8 mineral claim group is located in the Watson Lake Mining District and is recorded at the Office of the Mining Recorder, Department of Indian Affairs and Northern Development, Watson Lake, as follows:

<u>Claim Name</u>	<u>Grant No.</u>	<u>Record Date</u>	<u>Recorded Holder</u>
SUN #1-8	YA54675-82	May 28, 1980	J.C. Turner





SUN 1-8  
CLAIM GROUP

*Dorsal to Tully*



FIGURE 4

**CLAIM PLAN**  
(AFTER 105-H-9)  
Scale 1" = 1/2 Mile  
August 18, 1980

The claims are shown on Yukon Claim Map 105-H-9 (Figure 4).

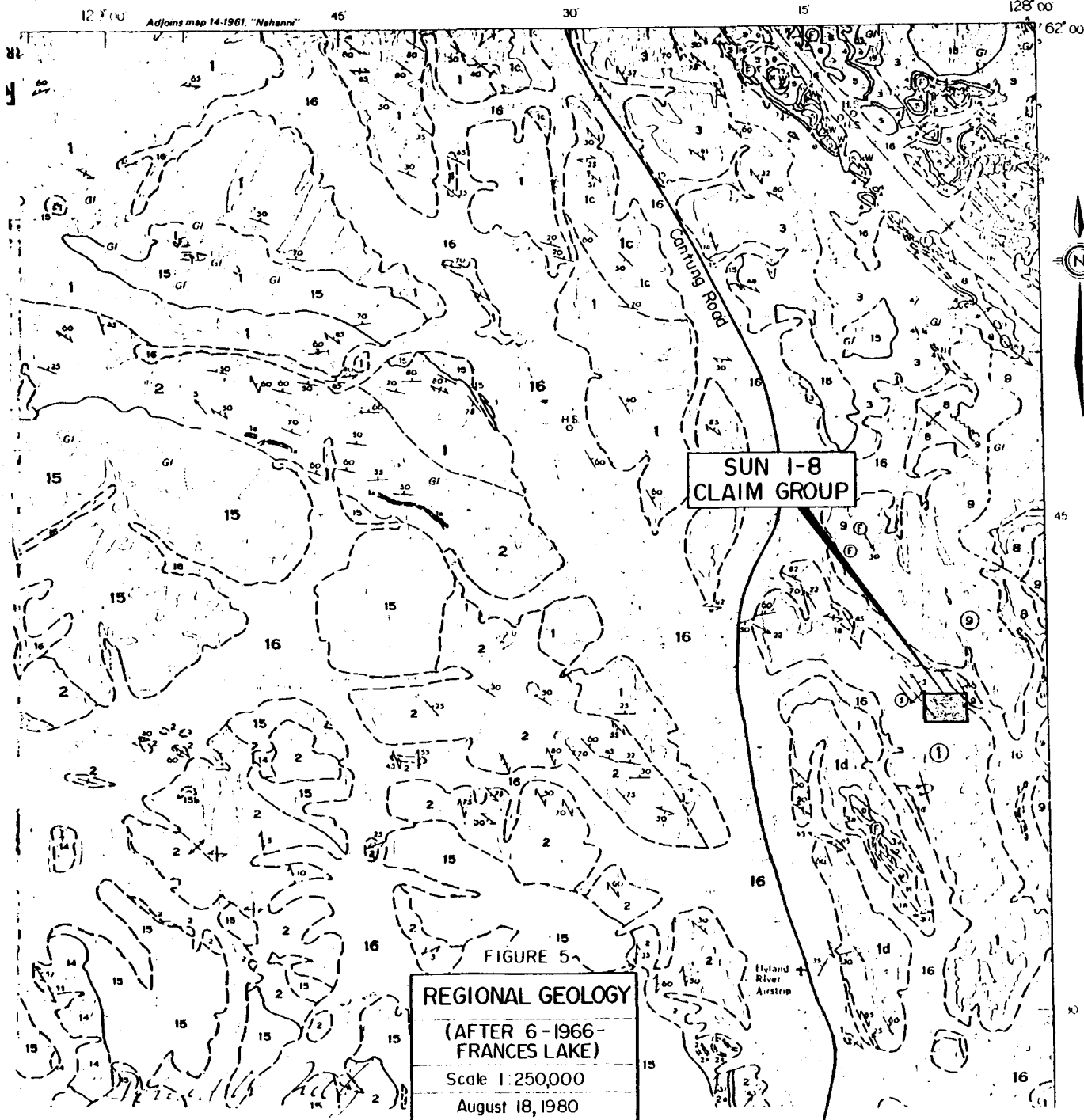
#### HISTORY - PREVIOUS DEVELOPMENT

It is believed the extensive sulphide mineralization showings on the SUN claim group were discovered some twenty years ago by B. Corrigan.

Circa 1961-62, the Mackenzie Syndicate examined the property. Subsequently this ground was staked by Bob Walton as the RAIN #1-6 group of claims. The Norquest Joint Venture Syndicate did trenching, geological mapping and magnetometer surveying on the RAIN group in 1964-1965 under option from Bralorne-Pioneer Mines Ltd. (Figures 6, 7, 8). Since then this mineral showing has been staked as the PAT group and lately as the SUN #1-8 mineral claims.

#### REFERENCES

D.I.A.N.D. Document #N017575 RAIN GROUP  
 Norquest Joint Venture 105-H-9, Geological Map  
 and Magnetometer Survey, A.F. Reeve, 1965 (5 maps)  
 Geological Survey of Canada Paper 66-22, p-71  
 Geological Survey of Canada Map 6-1966, Frances Lake  
 N.T.S. Map 105-H  
 Yukon Claim Sheet 105-H-9  
 Personal Communications



Access is provided by well maintained gravel roads linking Watson Lake on the Alaska Highway, Ross River on the Canal Road, and the Canada Tungsten mining community near the headwaters of Flat River.

An ice-sheet covered all but the highest peaks at least once during the Pleistocene Epoch, leaving erratics at elevations greater than 6,600 feet. Little evidence of direction of ice movement remains in the upland areas, but forms of drumlinoid ridges indicate that ensuing valley glaciers flowed southward down the major drainage systems.

Unit 1 comprises two main divisions with a combined thickness probably well in excess of 10,000 feet. A lower division is characterized by granule-pebble conglomerate and gritty quartzite and an upper one, at least 1,500 feet thick, is composed almost entirely of shale. The upper division is represented by map-unit 1d east of Hyland River and probably by units 1c and 1e, but owing to complex structure has not been separated elsewhere from unit 1.

Unit 3 contains appreciable siltstone and fine-grained quartzite near Flat River. Southwestward it changes progressively to shale and phyllite that may be correlative in part with uppermost strata of unit 1. A minimum thickness of 10,000 feet is estimated in the coarser grained facies northeast of Flat River. The base of unit 3 is ill-defined in the shaly facies near Little Hyland River and some basal strata may be included within 1c. Unit 3a is tentatively correlated with unit 3 on the basis of lithologic similarity, but may be older.

Unit 4, informally termed the 'Swiss-cheese limestone', forms a distinctive and persistent marker 100 to 200 feet thick above unit 3. It is characterized by recessively weathering oval-shaped pods and lenses of limestone in a more resistant siltstone matrix.

Units 5 and 7 total a minimum of 4,000 feet in thickness northeast of Flat River where they are separated by a thin but conspicuous bright orange weathering dolomite unit (6). They comprise various mixtures of dolomite, sandstone, siltstone, minor limestone and shale. Individual members and beds lense out or interfinger abruptly and diastems appear to be numerous. Basic volcanic flows and tuffaceous beds occur in the upper part of unit 5. An abrupt change in facies westerly across Flat River where at least the lower part of this carbonate section (5), (6), and (7) changes to calcareous shale and argillite of unit 8. A discontinuous limestone member, about 100 feet thick, at the base of unit 8 is the host rock for the principal tungsten deposits at and near the Canada Tungsten mine. It gradually lenses out about 2 1/2 miles northwest and 4 miles southeast of the mine. Apparent thinning or absence of unit 3 or equivalent strata northeast of Hyland River is believed due to an unconformity at the base of unit 8.

Interbedded siltstone and limestone of unit 9 characteristically occurs in wavy, undulatory or anastomosing bands, which on weathering impart a very rough pitted surface. An important regional unconformity at the base of this unit in places sharply bevels Lower Cambrian and older strata. Unit 9 is at least 4,000 feet thick near the Yukon-Northwest Territories boundary, but is itself bevelled by an unconformity beneath unit 11, so that apparently its thickness varies markedly. Exposures of unit 11 are limited to stream cuts along Flat River valley where it overlies unit 9 unconformably. Graptolites collected from the lowermost 500 feet are Upper Ordovician, but as the overlying part of unit 11 is much thicker, it may be in part of Silurian age.

Units 10 and 12 are lithologically correlated with strata previously mapped in adjacent regions.

Unmetamorphosed, predominantly pelitic, strata

FIGURE 5  
REGIONAL GEOLOGY  
(AFTER 6-1966-  
FRANCES LAKE)  
Scale 1:250,000  
August 18, 1980

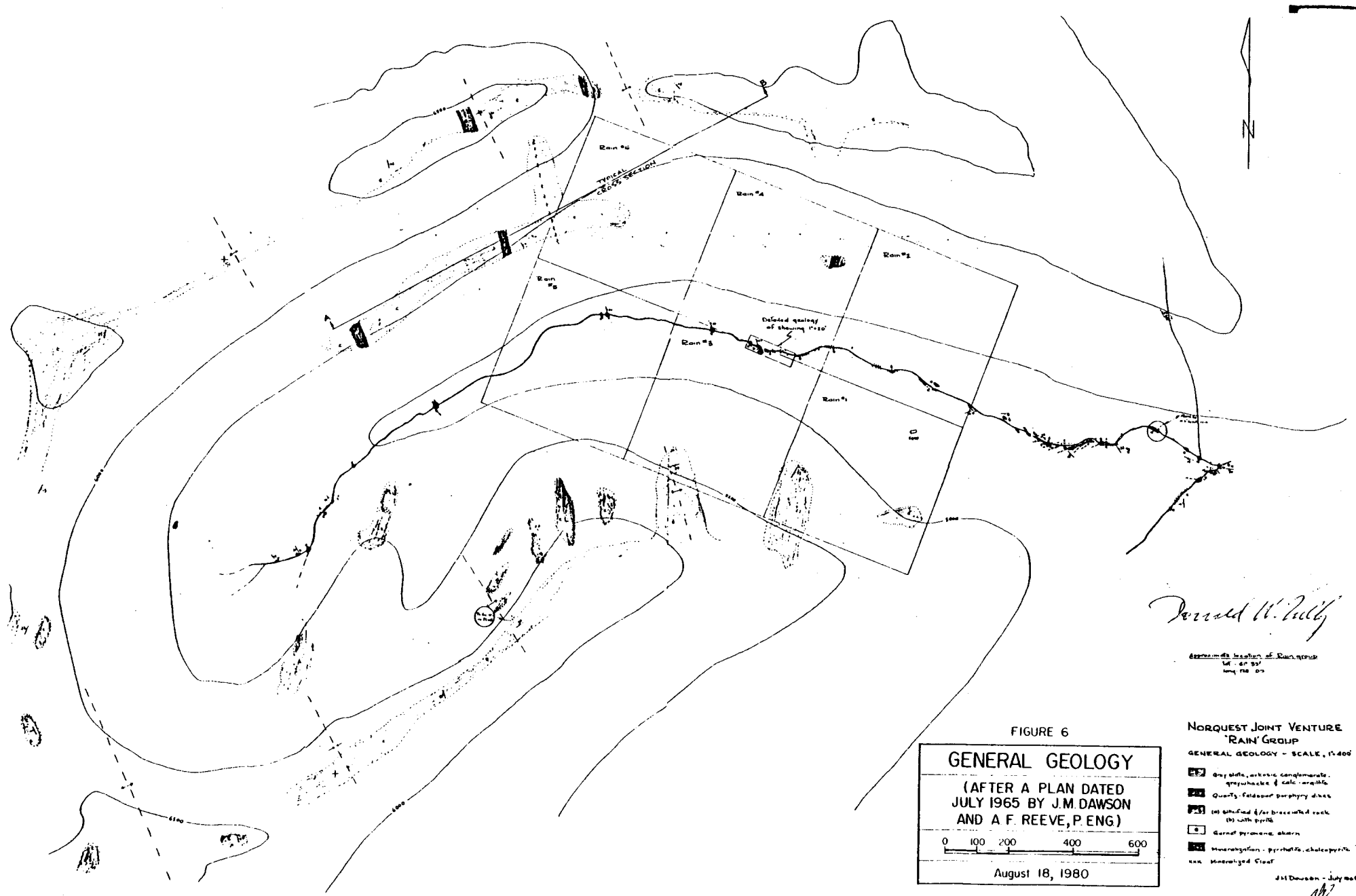
REGIONAL AND LOCAL GEOLOGICAL SETTING

The SUN claims are underlain by two main lithological units. The basement is an assemblage of sediments of Cambrian or earlier age and intruded by swarms of Cretaceous porphyritic felsite dykes. A tentative timetable of geologic formations is as follows:

<u>Formation</u>	<u>Description/Event</u>	
Sand, gravel and glacial debris	Unconsolidated (Erosional Unconformity)	Quaternary
Sulphide mineralization, precious metals, quartz-calcite veins, skarn development	Pyrite, pyrrhotite, chalcopyrite, galena, nickel, tungsten, gold and silver  (Folding, faulting and related tectonic activity)	(Tertiary ?)
Porphyritic dykes of felsite	Felsite (Folding, faulting)	Cretaceous
Assemblage of sedimentary horizons	Slate, grit, greywacke, grit, conglomerate, arkose, quartzite and impure calcareous sediments	Cambrian or earlier

Overburden occupies the valley floor up to about five metres in depth. Rock outcrops are relatively abundant in the creek bed and on the surrounding ridges that trend easterly more or less subparallel to the valley bottom.

Greenish-coloured slate, pebble-grit, greywacke and conglomerate were noted during the property examination.



*David W. Bully*

Approximate location of Rain group  
 lat. 49° 03' N  
 long. 108° 07' W

FIGURE 6

**GENERAL GEOLOGY**  
 (AFTER A PLAN DATED  
 JULY 1965 BY J.M. DAWSON  
 AND A.F. REEVE, P. ENG.)

0 100 200 400 600

August 18, 1980

**NORQUEST JOINT VENTURE  
 'RAIN' GROUP  
 GENERAL GEOLOGY - SCALE, 1:400**

- Quartzite, arkosic conglomerate, gneiss, schists & calc. marble
- Quartz-feldspar porphyry dike
- (a) silicified &/or brecciated rock (b) with pyrite
- Garnet pyroxene schist
- Hornfelsation - pyrobitic, chloropyrite
- Mineralized clastic

J.M. Dawson - July 1965  
*AW*

The host rock for the extensive sulphide mineralization appeared to be argillaceous in nature and may well have been an original calcareous member of impure argillaceous limestone horizon.

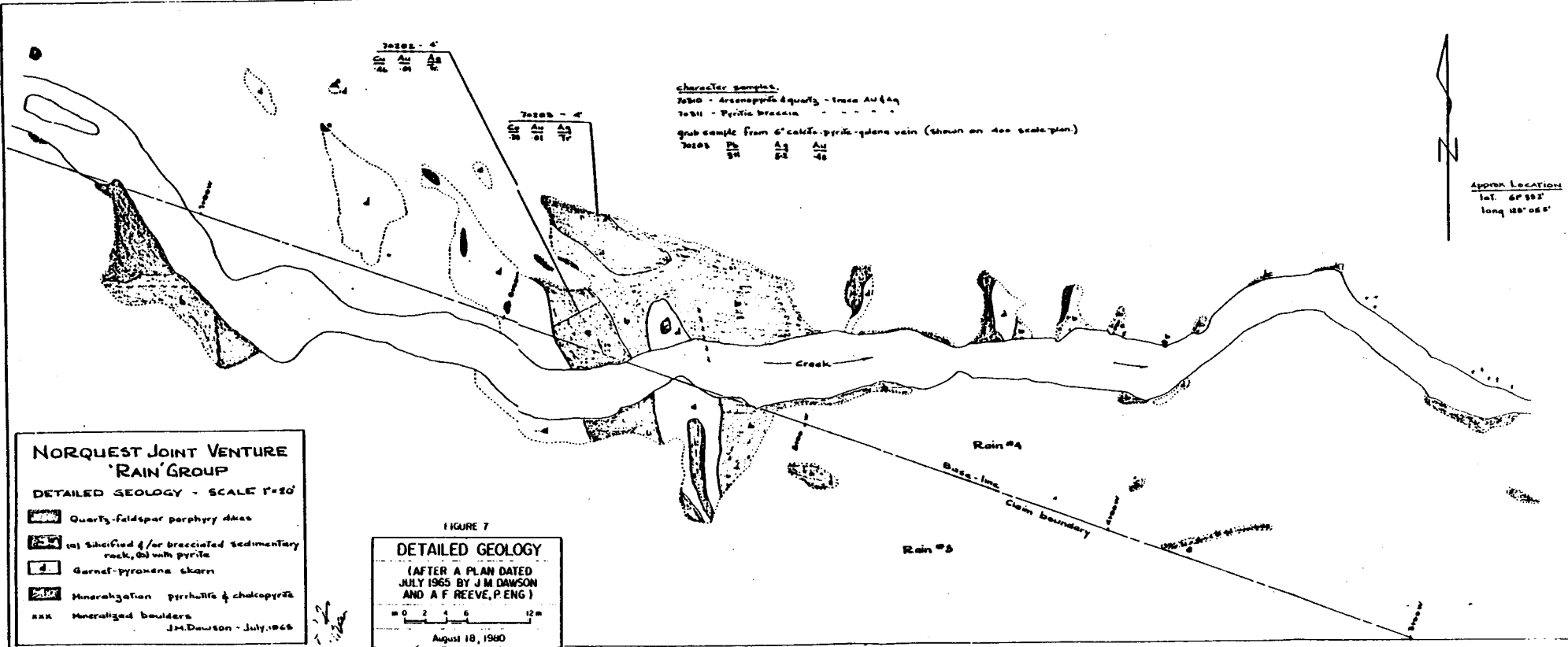
The rocks are folded along a northwest trend with dips towards the northeast. Dragfolding is evident in the areas of the concentrations of pyrite and pyrrhotite. According to A.F. Reeve, P.Eng., the folded sediments plunge southwesterly (Figure 7).

Porphyry dykes up to some 30 metres in width intrude the sediments along several strike patterns probably controlled by faulting developments noted in several instances in the creek bed areas.

#### MINERALIZATION - ASSAYS

Pyrite and pyrrhotite, generally quite fine-grained, was noted over a kilometre in distance along the creek bed that traverses the centre of the claim area. The host rocks are principally brecciated and silicified sediments carrying remnants of the original rock fabric in the replaced groundmass of sulphide mineralization. In some instances the host rock appeared to be composed of a brecciated groundmass of secondary silica and pyrite. A conglomerate-like rock was noted that contained what appeared to be local pebbles cemented in a ferruginous matrix.

Pods or lenticular masses of pyroxene skarn rock were noted in the area of the massive sulphide mineralization but the size and extent could not be determined because of overburden.



*Donald G. Peck*

Chalcopyrite is common in the massive sections of the pyrite-pyrrhotite mineralization and occurs as disseminations through the sulphide groundmass. One grab sample was taken of this type.

Veinlets composed largely of calcite with some quartz occur in the pyrite-pyrrhotite zones and appear to be later in age. Associated with these veinlets is an assemblage of galena and a later, coarser-grained pyrite. Two grab samples were taken of separate showings of the quartz-calcite type mineralization.

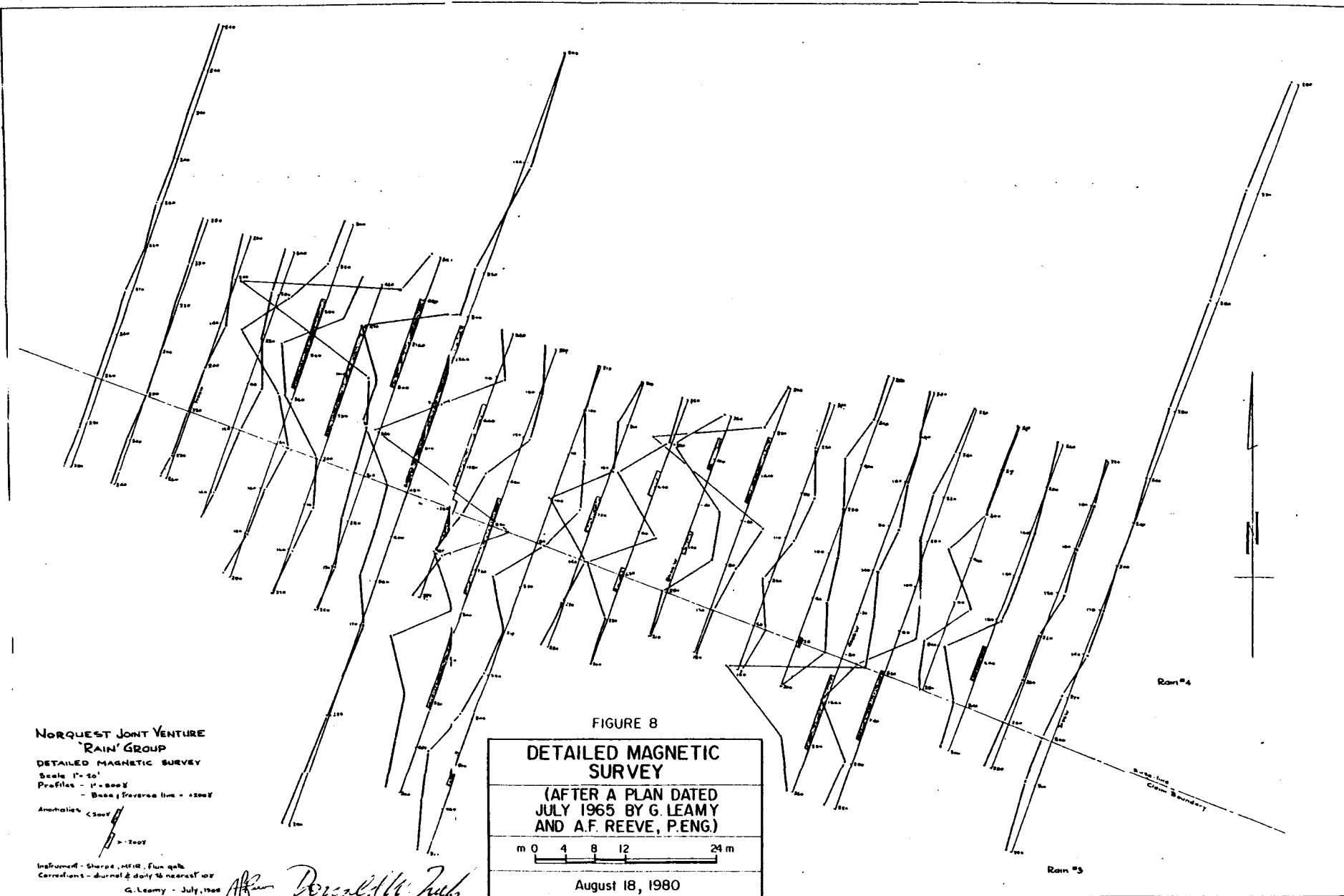
The assay results of the grab samples were as follows:

<u>Sample No.</u>	<u>Copper %</u>	<u>Nickel %</u>	<u>Tungsten %</u>	<u>Gold ozs.</u>	<u>Silver ozs.</u>	<u>Remarks</u>
978	0.57	0.002	Trace	0.002	0.17	Massive sulphides
979	0.14	0.013	0.08	0.038	0.13	Veins
980	0.08	0.006	0.11	0.026	0.10	Veins

The widespread occurrence of disseminated chalcopyrite in the extensive deposits of massive pyrite and pyrrhotite warrants diamond drilling to test the economic significance of this zone of sulphide mineralization.

The presence of gold and tungsten in the quartz-calcite vein structures as well as the modest content of silver is of interest.





NORQUEST JOINT VENTURE  
 'RAIN' GROUP  
 DETAILED MAGNETIC SURVEY  
 Scale 1" = 50'  
 Profiles - 1" = 500'  
 Anomalies - Base; Traverse line - ±200'



Informant - Sheets, 10118, 10119, 10120  
 Corrections - Journal & diary to nearest 100'  
 G. Leamy - July, 1968

*Alan Donald McTuly*

FIGURE 8  
 DETAILED MAGNETIC SURVEY  
 (AFTER A PLAN DATED JULY 1965 BY G. LEAMY AND A.F. REEVE, P.ENG)  
 m 0 4 8 12 24 m  
 August 18, 1980

## RECOMMENDATIONS

A survey of the location line of the eight-claim group is recommended.

A two-stage diamond drill test is proposed for the extensive sulphide mineralization. A cross-section of three diamond drill holes is recommended initially. Should the results of this first stage of drilling prove rewarding, a second stage is also proposed as a follow-up to determine an estimate of the length, width and depth extent of the sulphide deposits.

### ESTIMATED COST OF THE PROPOSED WORK PROGRAM

#### Stage 1

Three BQ size wireline core diamond drill holes each 500 feet in length at a cost of \$75/foot of core. This cost includes mobilization, camp and supplies, helicopter support, water-pumping for drill purposes, administration, supervision, travel costs, demobilization, core-handling, core-splitting, assaying and engineering report

(3 x 500 ft = 1500 ft x \$75/ft) C/F	\$112,500
--------------------------------------	-----------

Brought Forward

\$112,500

Stage 2

Should the results of Stage 1 prove rewarding and an engineering evaluation recommend a continuation of the diamond drill program, it is proposed to diamond drill three more holes each 500 feet in length as a follow-up to determine an estimate of the length, width and depth extent of the sulphide mineralization

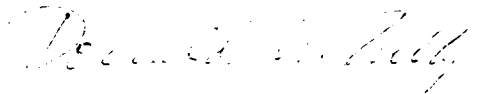
(1500 feet x \$75/foot)

112,500

Total estimated cost Stages 1 and 2

\$225,000

Respectfully submitted,



Donald W. Tully, P. Eng.

August 18, 1980

ADDENDUM

(To a Report on the SUN 1-8 Mineral Claim Group,  
Grant Nos. YA54675-82 and dated August 18, 1980)

Pursuant to a request by the Directors of Conquest Exploration Ltd., Suite 704, 525 Seymour Street, Vancouver, British Columbia, the estimated cost of the program of mineral exploration in Stage I, as outlined on page 8 of the report on the subject claim group, has been sub-divided into two phases, namely (a) and (b) as follows:

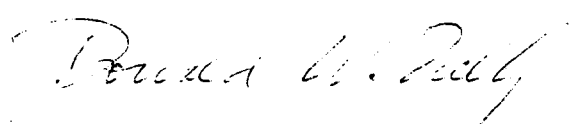
Stage 1(a)

One BQ core size wireline diamond  
drill hole 750 feet in depth  
(228.7 metres) @ \$75/foot = \$56,250

Further work should be contingent upon an engineering evaluation of the results of the diamond drill hole in Stage 1(a).

Stage 1(b)

One BQ core size wireline diamond  
drill hole 750 feet in depth  
(228.7 metres) @ \$75/foot = \$56,250



June 1, 1982

Donald W. Tully, P. Eng.



# General Testing Laboratories

A Division of SGS Supervision Services Inc.

1001 EAST PENDER ST., VANCOUVER, B.C., CANADA, V6A 1W2  
 PHONE (604) 254-1647 TELÉX 04-507514 CABLE SUPERVISE

TO:  
 DON TULLY ENGINEERING LTD.  
 102 - 2222 Belvue Avenue  
 West Vancouver, B.C.  
 V7V 1C7

SUN

## CERTIFICATE OF ASSAY


No.: 8006-2352      DATE: July 2, 1980

We hereby certify that the following are the results of assays on:

MARKED	GOLD	SILVER	Copper	Nickel	Ore Tungsten oxide	XXX	XXX	XXX
	(oz/st)	(oz/st)	Cu (%)	Ni (%)	WO <sub>3</sub> (%)			
0978	0.002	0.17	0.57	0.002	trace			
0979	0.038	0.13	0.14	0.013	0.08			
0980	0.026	0.10	0.08	0.006	0.11			

NOTE: REJECTS RETAINED ONE MONTH. PULPS RETAINED THREE MONTHS. ON REQUEST PULPS AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR.

ALL REPORTS ARE THE CONFIDENTIAL PROPERTY OF CLIENTS. PUBLICATION OF STATEMENTS, CONCLUSION OR EXTRACTS FROM OR REGARDING OUR REPORTS IN NOT PERMITTED WITHOUT OUR WRITTEN APPROVAL. ANY LIABILITY ATTACHED THERETO IS LIMITED TO THE FEE CHARGED.

  
 L. FOLG  
 PROVINCIAL ASSAYER

Analytical and Consulting Chemists, Bulk Cargo Specialists, Surveyors, Inspectors, Samplers, Weighers

MEMBER: American Society For Testing Materials • The American Oil Chemists Society • Canadian Testing Association  
 REFEREE AND OR OFFICIAL CHEMISTS FOR: National Institute of Oilseed Products • The American Oil Chemists' Society  
 OFFICIAL WEIGHMASTERS FOR: Vancouver Board Of Trade