

PROSPECTUS  
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062183

PRELIMINARY EVALUATION REPORT  
ON THE  
REVENUE CREEK PROPERTY  
WHITEHORSE MINING DISTRICT

FOR

SHAKWAK EXPLORATION COMPANY LIMITED  
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## INTRODUCTION

### (i) Location and Access

The Revenue Creek property of Shakwak Exploration Company Limited is located in the southeast part of the Dawson Range, three miles southwest of the confluence of Seymour Creek and Big Creek, on N.T.S. map sheet 115-I-6, approximately 62° 19'N and 137° 16'W. The property is approximately 47 miles west of Carmacks, Yukon, and 140 miles northwest of Whitehorse, Yukon (Figure 1, Location Plan).

Access to Revenue Creek is by all-weather road, via the "Freegold Road", from Carmacks, Yukon. Access by air from Whitehorse is facilitated by the presence of an airstrip at the confluence of Revenue Creek and Big Creek. The airstrip requires some surface repairs but is suitable for Beaver, Otter and Islander type of aircraft.

### (ii) Property

The Revenue Creek Property is comprised of 47 full Yukon Mineral Claims acquired and held pursuant to the Yukon Quartz Mining Act. These claims are held under option by Shakwak Exploration Company Limited from Yukon Revenue Mines Limited, and the disposition is summarized in Table 1. Records for the Revenue Creek property are on file at the Whitehorse Mining District recording office in Whitehorse, Yukon. Copies of Yukon Quartz Mining Act Form "D", Certificates of Work, for the Revenue Creek property, are presented in Appendix 3 of this report. A map of the claim holdings is presented in Figure 2, at a scale of 1" = 1/2 mile.

### (iii) History

The Dawson Range region was prospected extensively during the latter part of the Nineteenth Century, and the early part of the Twentieth Century for placer gold. Many attractive deposits were

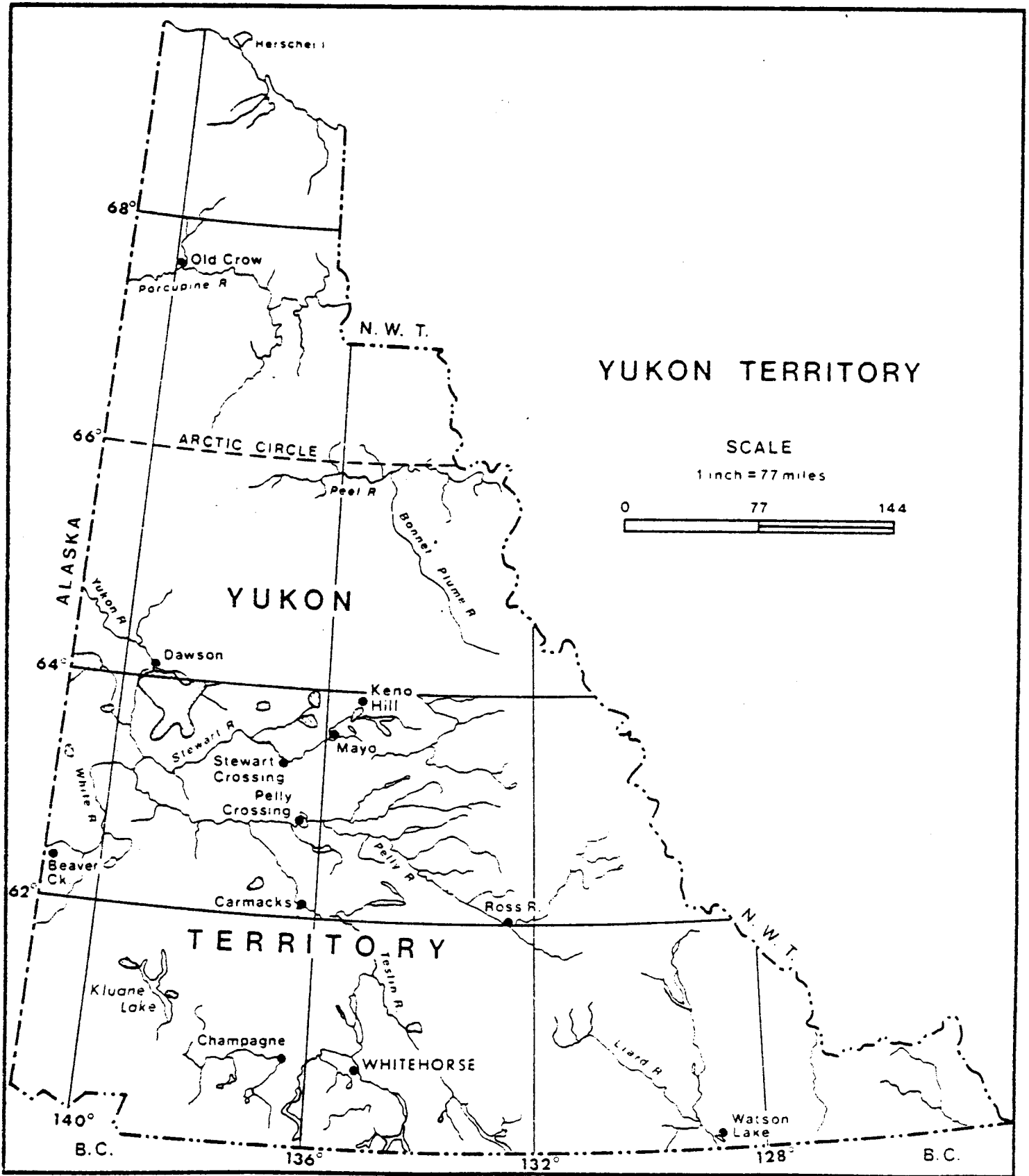


FIGURE 1

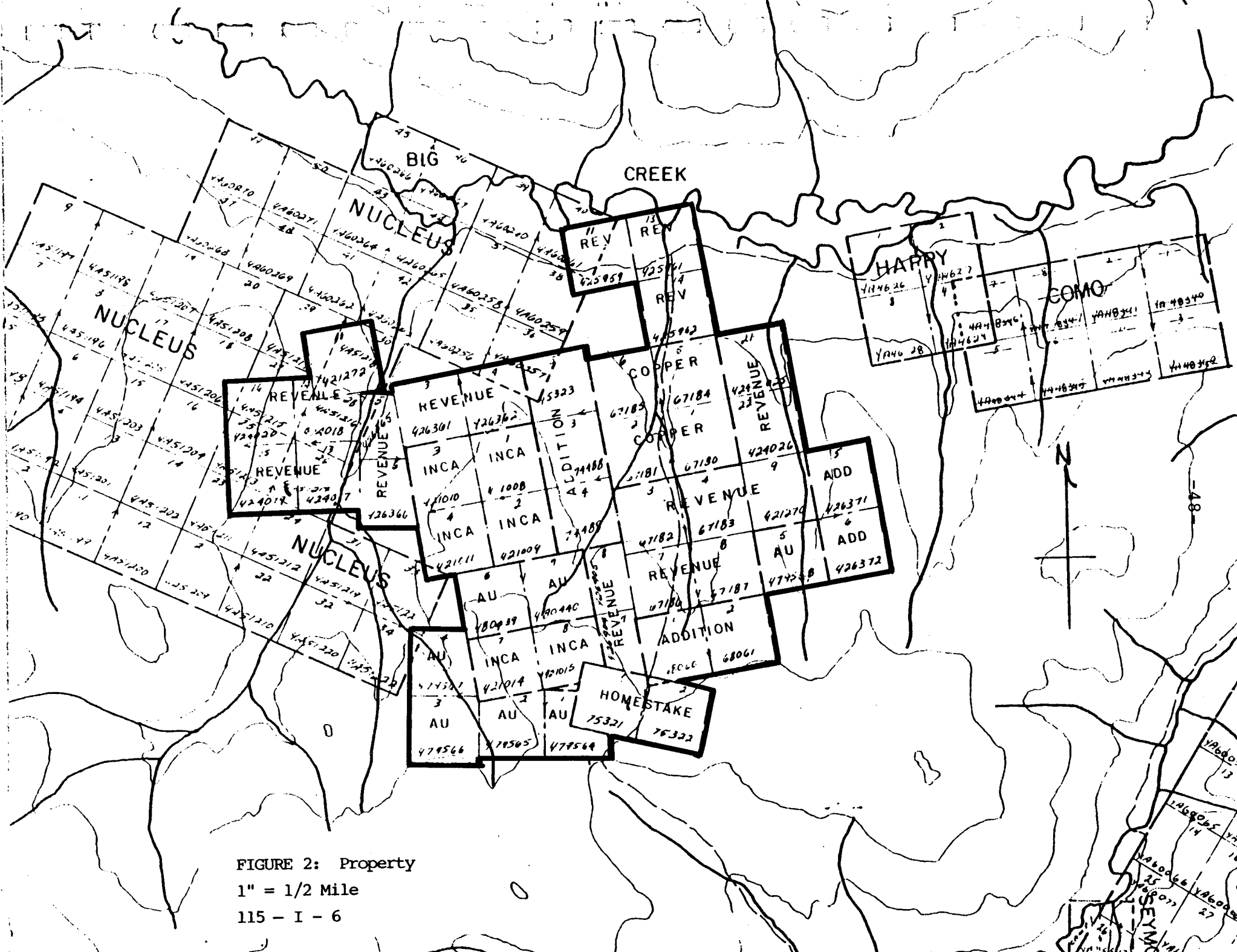


FIGURE 2: Property  
 1" = 1/2 Mile  
 115 - I - 6

TABLE 1                    SHAKWAK EXPLORATION COMPANY LIMITED -  
PRESENT REVENUE CREEK CLAIM POSITION

CLAIM NAME	CLAIM NUMBER	EXPIRY	NUMBER
REVENUE COPPER 1-8	67180-67187	October 15, 1987	8
ADDITION 1-2	68060-68061	"	2
ADDITION 3-4	74488-74489	"	2
HOMESTAKE 1-2	75321-75322	"	2
ADDITION 5	75323	"	1
INCA 1-4	Y21008-Y21011	"	4
INCA 7-8	Y21014-Y21015	"	2
REVENUE 9	Y21270	"	1
REVENUE 5-6	Y26365-Y26366	"	2
REVENUE 7-8	Y26404-Y26405	"	2
REVENUE 11	Y21272	"	1
REVENUE 13-16	Y24017-Y24020	"	4
REVENUE 3-4	Y26361-Y26362	"	2
REVENUE 21-22	Y24025-Y24026	"	2
REV 11	Y25959	"	1
REV 13-14	Y25961-Y25962	"	2
ADD 5-6	Y26371-Y26372	"	2
AU 1-5	Y79564-Y79568	"	5
AU 6-7	Y80439-Y80440	"	2
	TOTAL NUMBER		<u>47</u>

discovered and some (e.g. Mt. Nansen, Revenue Creek, Rude Creek) became successful small scale producers. In the course of placer exploration, the prospecting potential for lode mineral deposits was recognized by miners and G.S.C. geologists, who routinely traversed around and through the area.

A placer gold discovery on Seymour Creek in 1917, and on neighbouring creeks, including Revenue Creek, in the 1920's, encouraged numerous prospectors to investigate the lode mineral potential of the general southeast portion of the Dawson Range. As a result, prospector Fred Guder discovered free gold in place in a magnetite skarn zone on the southwest slopes of Mt. Freegold. This discovery led in turn to other finds in the mid-1930's, including the Laforma gold veins and the Revenue Creek chalcopryrite (copper-gold) breccia zone.

Mr. Guder staked the Revenue Creek copper-gold prospect and, beginning in 1951, caused considerable exploration work to be done on the property by various optionees.

The Revenue Creek property was optioned in 1951 by Conwest Exploration Limited, who conducted EM and resistivity geophysical surveys over a short adit which had intersected massive chalcopryrite along Revenue Creek. In 1952 the option was transferred to Teck Corporation. Teck completed 5 short drill holes, with discouraging results, and dropped the option.

Asbestos Corporation optioned the property in 1959 and conducted geochemical surveys of the soil and stream, with apparently negative results. The option was terminated.

In 1964 the Meridian Syndicate (Homestake Mining Company, Noranda Exploration Limited, and Canex Aerial Exploration Limited) optioned the property, and conducted geological and soil geochemical



surveys. Meridian drilled 3 short diamond drill holes in 1965 to test favourable anomalies. Results were negative and the option was dropped.

H. Fromme and his associates optioned the property in 1967 and formed Yukon Revenue Mines Limited to conduct exploration on the prospect. Between 1967 and 1969, Yukon Revenue Mines Limited completed IP and EM geophysical surveys, bulldozer trenching and limited diamond drilling. The results of this project led Kaiser Resources to enter a joint venture arrangement with Yukon Revenue Mines Limited for an accelerated exploration program in 1970. Kaiser Resources conducted a detailed soil geochemical survey, bulldozer trenching, detailed geological mapping, percussion drilling (25 holes) and diamond drilling (13 holes).

This exploration program concluded that although the Revenue Creek property is, geologically, a typical porphyry copper occurrence, the mineralizing phase was not strong enough to produce economic copper concentrations. The joint venture was therefore terminated.

Exploration work on the Revenue Creek property has been continued intermittently by Yukon Revenue Mines Limited, and includes bulldozer trenching and prospecting in 1974, bulldozer trenching and sampling in 1977, 1979 and 1980, and diamond drilling (3 holes) in 1982. The property was optioned to Shakwak Exploration Company Limited by Yukon Revenue Mines in August of 1983.

The writer has visited the property on three occasions in 1980 and 1981, and is acquainted with the property and the surrounding geology.

## SUMMARY

The Revenue Creek property of Shakwak Exploration Company Limited, covers a geological environment permissive to host economic deposits of gold-silver + copper (chalcopyrite) + tungsten (scheelite) mineralization. The property has undergone considerable exploration work during the past 30 years, and much valuable information has been accumulated. This activity was generally directed to location of a large tonnage - lower grade copper deposit ("porphyry copper") and concluded, appropriately, that such an occurrence is unlikely to be present at Revenue Creek.

However, close examination of the property and existing data indicates that the geologic setting of the Revenue claims is not all that different from that of the nearby Laforma property. Compilation and synthesis of this data has led to an updated interpretation of the property's geology and economic potential. An exploration program, budgeted at approximately \$215,000, is therefore recommended to interpret and evaluate the gold and silver occurrences on the property.

## PHYSIOGRAPHY AND TOPOGRAPHY

Revenue Creek lies in the southeast end of the Dawson Range, a physiographic sub-unit of the western Yukon Plateau. The Dawson Range consists of a range of relatively smooth topped mountains stretching approximately 140 miles northwesterly from Carmacks to the confluence of the Ladue River with the White River. The chain is terminated on its flanks by the Yukon River on the north and the Klotassin-Klaza Rivers on the south.

The present-day Dawson Range exhibits topography characteristic of unglaciated terrain with smooth-topped mountains deeply incised by steep-sided, long, narrow valleys. The gentle relief of the higher elevations of the Dawson Range represents a mature phase in a paleotopographical erosion surface, through which present drainage (e.g. Big Creek) has deeply eroded following a substantial, rapid uplift.

Relief in the Dawson Range is commonly 2,500 to 3,000 feet. Maximum elevations exceed 6,000 feet in the Carmacks map area.

## GEOLOGY

### (i) General Geology

The southeast portion of the Dawson Range is underlain by a series of metamorphic lithologies of the "Yukon Metamorphic Complex" which have been intruded by a variety of plutonic rocks ranging from syenites to granite. Quartz feldspar porphyry dyke swarms, associated with sub-volcanic micarolitic alaskite plugs intrude the plutonic and metamorphic lithologies.

Extrusive rocks equivalent to the quartz-feldspar porphyry dykes overlie most other units in parts of the Dawson Range. These formations are acid-to-intermediate composition tuffs and tuff-breccias. Much of northern and eastern Dawson Range is covered by an extensive capping of Eocene basalt and andesite flows ("Carmacks Group"). The wide spread basalts, and relative restricted acidic tuffs, probably represent a single volcanic assemblage, although the basalt appears marginally younger. A summary of the Dawson Range geology is presented in Table 2, a Table of Formations.

The Yukon Metamorphic Complex is represented in the Dawson Range by biotite-quartz schist (P Psba) chlorite-quartz schist and hornblende gneiss (P Psn), foliated "granodiorite" gneiss (P Pgdn) and minor coarse grained diorite or gabbro (P Pub). These are the oldest rocks in the area and are regionally metamorphosed to the amphibolite facies. The complex is not well understood but is generally considered to be Lower Paleozoic in age with more than one era of metamorphic modification.

Most plutonic rocks have been emplaced in complexes with multiple phases present in the same structural element. Thus, hornblende monzonite, quartz monzonite and quartz diorite are often all present in one intrusive body.

The oldest intrusive plutonic rock in the Dawson Range is a Triassic hornblende granodiorite ("Tr golm"). This unit commonly exhibits a marked alignment of hornblende phenocrysts which imparts a gneissic texture to the rock. In the eastern Dawson Range, a very porphyritic (K-feldspar and hornblende varieties) upper Triassic (?) syenite ("My") is present, perhaps associated with the hornblende granodiorite. This is a very distinctive intrusive characteristically containing K-feldspar phenocrysts to 2"-3" in a fine grained matrix of feldspar, hornblende and biotite composition. Apatite is a common accessory mineral in the syenite. A hornblende porphyry phase is also present. The syenite is commonly weakly altered on a regional scale to an early prophyllitic stage, characterized by clouding of the feldspars and weak chloritization of the mafic minerals. Internal shearing is common in this porphyry.

A porphyritic biotite-quartz monzonite ("Mqmp") is occasionally present in the Dawson Range, and is perhaps equivalent to the porphyritic syenite. Typically this rock contains phenocrysts of K-feldspar to 1" set in a granite groundmass. In the adjoining map sheet 115 K-J (SNAG) the biotite-quartz monzonite clearly is intrusive into the earlier (Triassic) hornblende granodiorite (Templemann-Kluit, 1974).

Large areas of the Dawson Range are underlain by a Jurassic (?) plutonic assemblage of granodiorite and quartz monzonite. These are medium-grained, equigranular fresh rocks. Commonly this unit or included undifferentiated Triassic granodiorite is favoured for intrusion by porphyry complexes (e.g. Mt. Nansen, Mt. Freegold, Klazan, Casino).

The Eocene suite of the Nisling Range alaskite and its equivalents, sub-volcanic feldspar porphyry dyke swarms [Tfp] and extrusive volcanic rocks [Tmn], is present throughout the Dawson Range intruding or overlying most other lithologies noted. This group is

significant because of its affiliation with most potentially economic mineral occurrences.

In the eastern part of the Dawson Range a group of basaltic and, locally, andesitic, flow rocks, including diabase feeder rocks and plugs, overlies all other formations. This series, the Carmacks Group ("eTcv") is comprised of brown weathering, massive, dark green and purple flows and is probably genetically related to the Eocene Mt. Nansen series (Tmn).

Significant potentially economic mineral occurrences in the Dawson Range generally are either classic porphyry-style copper (+ molybdenum and gold) deposits (e.g. Casino, Mt. Nansen) or precious metal - rich vein or shear zone deposits peripheral to porphyry complexes (e.g. Mt. Nansen, Mt. Freegold, Casino).

Mineralization is generally related to the Tertiary suite of rocks and their host lithologies, with the significant exception of the schlieren copper deposits in hornblende granodiorite (Tr gdm) at Minto and Williams Creek.

(ii) Structural Geology

The Dawson Range is characterized by several major structural elements including schistosity in micaceous metamorphic rocks, foliation in plutonic rocks (alignment of mafics, crushing of quartz) due to orogenic stresses, linear emplacement of plutonic stocks, major northwest trending faults, north to northeast trending smaller faults and generally northward alignment of Tertiary feldspar porphyry ("Tfp") dyke swarms. Schistosity, foliation and plutonic geometry show a general northwest trend preference. In local intrusion, plutonic bodies often are elongate in a northwest to southeast direction and generally become more foliated in this orientation. Plutonic and volcanic centres are situated in a northwest trending linear fashion, aligning on a common axis.

TABLE 2 Table of Formations

EOCENE

eTcr	"Carmacks Group"	: Basalt and andesite flows and flow-breccias
eTcg	Conglomerate	: Poorly indurated coarse conglomerate
Tmn	"Mount Nansen Group"	: Green-grey, red and purple acid to intermediate tuff and tuff breccia
Tfp *	Feldspar Porphyry	: Medium-grained quartz porphyry and/or granite porphyry dykes sills and irregular small bodies
Tgal *(?)	Alaskite ("Nisling Range"):	Medium-fine grained microlitic granite plugs

JURASSIC

Mgd *	Granodiorite	: Granodiorite and quartz monzonite; medium-grained, equi-granular
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TRIASSIC

Mqmp	Quartz Monzonite Porphyry	: Porphyritic biotite quartz monzonite; equivalent to Mgd(?)
My	Syenite	: Very porphyritic, grey-pink syenite; K-feldspar and hornblende porphyry varieties
Trgdm	Hornblende Granodiorite	: "Gneissic granodiorite" - coarse grained, equigranular hornblende granodiorite; mafics commonly aligned to impart a distinct foliation

TABLE 2            Table of Formations (continued)

LOWER PALEOZOIC (?)

Pub	Diorite	: Coarse grained diorite, hornblende, gabbro and altered equivalents.
P Psbq	Schist	: Biotite-quartz schist, thinly bedded, occasionally graphitic; minor gneiss and skarn; occasional limestone
P Psn *	"Schist-Gneiss"	: Hornblende gneiss; chlorite quartz schist
P Pgdh *	"Pelly Gneiss"	: Foliated muscovite-chlorite granuotiorite gneiss; apfite and pegmatite dykes and bodies

\* denotes rock unit present on Yukon Revenue Mines, Limited, Revenue Creek Property

NOTE:            Lithologic symbols are those suggested by the Geological Survey of Canada



Major linear features, steeply dipping large faults, show a preferred northwest orientation. As such, these systems are sub-parallel to the Tintina and Shakwak fault systems which lie considerably north, and south respectively of the Dawson Range. Significant cross-fault lineaments trending northeasterly probably reflect smaller, local faults cutting the main lineaments (e.g. Bow Creek-Lower Big Creek lineament). These structural elements possibly are genetically related to movements along the Tintina and Shakwak faults.

(iii) Geology of the Revenue Creek Property

The Revenue Creek property is underlain by a quartz monzonite (Mgd) pluton which has intruded hornblende gneiss and quartz-chlorite schist (P Psn), and biotite hornblende gneiss with associate aplite and pegmatite dykes (P Pgd). In turn, the pluton and local metamorphic lithologies have been intruded by a feldspar porphyry and granite porphyry dyke swarm (Tfp).

The Revenue Creek pluton is typical of many intrusive complexes in the Dawson Range in its "passive" style of country rock invasion and its multiple phase nature. It also forms part of a linear group of similar plutons stretching from Mount Freegold to Casino, including Klazan, Cash, Revenue Creek and Mount Cockfield porphyries.

The Revenue Creek pluton has hornblende monzonite, biotite monzonite, quartz monzonite and quartz diorite phases. The biotite monzonite phase underlies the larger part of the claim block. Lack of outcrop, on this north-facing slope, prevents adequate examination of contacts between the various units to determine phase relationships.

The Yukon Metamorphic Complex is represented at the Revenue Creek property by hornblende and biotite gneisses and by a quartz-chlorite schist. These rocks, where observed on the ridge at

the head of Revenue Creek, strike northwest and dip variously in an easterly direction.

A swarm of Eocene (?) dykes ("Tfp") including feldspar porphyry, granite porphyry and latite porphyry varieties intrudes the monzonite pluton and metamorphic rocks in a discordant fashion. These lithologies probably belong to the "feldspar porphyry" suite of the Nisling Range alaskite Mr. Nansen Group series.

A breccia zone traverses the property in an east-west orientation. This unit consists of an aphanitic greyish matrix with fragments (commonly to 4") of monzonite (?), Yukon Cataclastic Complex metamorphic lithologies, the feldspar porphyry dyke suite and a plutonic rock type not observed in surface outcrop or diamond drill core elsewhere on the property (possibly Nisling Range alaskite, "Tgal"). Monzonite by far comprises the largest proportion of fragments in the breccia. This breccia zone is in all probability a multiple breccia pipe system similar to the intrusive complex underlying the Mt. Nansen porphyry copper occurrence 16 miles to the south, or the Mt. Freegold breccia systems 5-6 miles to the east.

The breccia zone has undergone a high degree of alteration and the matrix is now mostly composed of clay minerals and quartz. Plutonic fragments are likewise highly altered. Pyrite is ubiquitous in the breccia zone, distributed finely disseminated throughout the rock to a content of 3-5%.

Aplite dykes occur peripheral to the plutonic rocks on the Revenue Creek property. Occasionally the aplite occurs as a distinct body (near the head of "Whirlwind Pup", tributary of Revenue Creek). Since aplite dykes are a common element of the metamorphic unit P Pgdn elsewhere, it is possible that the aplite lithologies at Revenue Creek are genetically related to a similar origin. Another possibility is that the aplite bodies at Revenue Creek are an assimilation feature of a plutonic emplacement process.

The Revenue Creek property is traversed by the Big Creek fault, a major lineament trending northwest from Mount Freegold to the head of Hayes Creek. This is apparently a steeply-dipping fault of unknown displacement. Smaller northeast oriented faults appear to terminate against the Big Creek fault (Kaiser, 1970) from evidence in a 1970 drill program.

Most of the plutonic rock at Revenue Creek exhibits some degree of hydrothermal alteration. The breccia zone is generally highly altered, with alteration intensity decreasing towards, and into, the wall rock. Alteration does not seem to continue into the metamorphic rocks in contact with the intrusive complex. Alteration envelopes typically flank veins, veinlets and fractures in the plutonic assemblage.

(iv) Economic Geology of the Revenue Creek Property

The Revenue Creek property of Yukon Revenue Mines, Limited contains significant occurrences of chalcopyrite, molybdenite, scheelite and gold. The original mineral discovery, the "Discovery Lens", consisted of a zone of massive chalcopyrite, striking parallel to Revenue Creek. Revenue Creek itself has been a successful small scale placer gold producer for many years. Exploration directed to evaluate the potential of the property to host a large tonnage-low grade "porphyry copper" style mineral deposit concluded that such occurrences are unlikely to be located in the Revenue Creek pluton.

Chalcopyrite is present in the plutonic assemblage commonly associated with pyrite and quartz in small widely-spaced veinlets and occasionally disseminated in the rock itself. Grades of this material seldom exceed 0.1% Cu. for any volume. Chalcopyrite is present in the "Discovery Lens" as massive blocks or boulders in a weakly siliceous matrix. This zone is probably a boulder-train derived from a lens or lenses higher upstream. Geophysical and prospecting evidence suggests

that a likely source for this massive chalcopyrite is a northwest trending linear, or series of en-echelon linears, in the area of 2 + 00 S to 3 + 00 S from approximately 4 + 00 E to 4 + 00 W. Numerous other sub-parallel linear "anomalies" are suggested in this area. This orientation is considered favourable to develop mineral occurrences because it is sub-parallel to the general axis of the breccia zones and the major Big Creek lineament. Most other promising occurrences of gold-silver mineralization at Mt. Freegold and Mt. Nansen are related to similar northwest trending features.

Gold occurs on the Revenue Creek property in association with scheelite. Sporadic gold and tungsten values that trace sub-parallel to the breccia pipe axis are present from 12 + 00 E to 14 + 00 E around 1 + 00 S to 1 + 50 S. This mineralization lies on an east strike projection from the possible massive chalcopyrite source zone.

Gold may also be present in quartz veins in the major northwest trending fault zone that cuts across Revenue Creek at approximately 28 + 00 N and 0 + 50 E. A placer cut immediately below this vein system in 1982 recovered considerably more gold than on average, while the next cut immediately above the vein returned the average amount of placer gold. This suggests that the quartz vein system may have added some gold to the placer occurrence during erosion.

Tungsten, as scheelite, is commonly affiliated with gold mineralization (usually in some zonal mode) in many vein systems. Since tungsten is easier to identify in the field than gold values, and since both minerals are genetically related, identification on the controls of tungsten deposition may be a logical approach to determining gold location parameters. Sufficient samples are available in Whitehorse to conduct a microscopic study of tungsten-rich material from 28 + 00 E/1 + 50 S. This analysis should be completed before any further field work is initiated to determine if scheelite is present in

fragments in the breccia, in the breccia matrix, or in a later structural mode of emplacement (veinlets cutting both matrix and fragments) and the cause of chemical zonation in individual scheelite crystals, as evidenced by different fluorescent responses under ultra-violet light.

Permissive targets for locating gold (+ silver, chalcopyrite, scheelite) mineralization on the Revenue Creek property are as follows:

- (i) On the south side of the initial breccia pipe (with chalcopyrite) between 5 + 00 S to 0 + 00 and from 12 + 00 W to 16 + 00 E,
- (ii) Along the major northwest fault traversing the property, especially from 20 + 00 N to 35 + 00 N from 12 + 00 W to 8 + 00 E, and
- (iii) Along the intersection of (presumed) significant northeast cross faults with breccia pipes (24 + 00 W from 15 + 00 N to 23 + 00 N and 50 + 00 W from 21 + 00 N to 27 + 00 N) or the major fault (12 + 00 W to 16 + 00 W at 36 + 00 N).

SUMMARY OF GEOPHYSICAL SURVEYS TO DATE

Limited geophysical surveys have been conducted on the Revenue Creek property to date. Most of these were early style EM type surveys, which indicated several anomalous zones in the "breccia zone". These early surveys concentrated on small specific targets and are hard to correlate to other data.

The only technically more advanced geophysical work was an Induced Polarization (IP) survey by Seigal and Associates for Yukon Revenue Mines Limited (1968). The results of this survey were probably what typically should be expected from a porphyry system with a pyrite halo.

\* \* \* \* \*

## SUMMARY OF DRILLING TO DATE

Considerable drilling has been conducted at the Revenue Creek property (see Table 3 for a summary). Most of the early drilling was concentrated in the breccia zone around massive chalcopryrite float. Recoveries were generally very poor, and the holes were drilled at many different azimuths and dips, making any kind of correlation and interpretation difficult.

Kaiser Resources completed an extensive diamond drill and percussion drill program in 1970. This project tested the property's potential to host a porphyry copper large tonnage-low grade copper deposit. Recoveries during this phase of drilling were good and a geologic model was successfully developed for the property. Most of this drilling was outside the breccia zone.

TABLE 3            Summary of Drilling

Teck Corporation	1952	5 Diamond Drill Holes
Meridian Syndicate	1964	3 Diamond Drill Holes
Yukon Revenue Mines	1968	5 Diamond Drill Holes
Yukon Revenue Mines	1969	5 Diamond Drill Holes
Kaiser Resources	1970	13 Diamond Drill Holes
Kaiser Resources	1970	25 Percussion Drill Holes
Yukon Revenue Mines	1982	3 Diamond Drill Holes



## RECOMMENDATIONS

The Revenue Creek property requires additional exploration.

A new grid, totaling approximately 25 line-miles, should be established (see Figure 6). The new grid will be oriented with north-south cross lines, instead of the original east-west grid. This geometry will provide grid lines approximately perpendicular to the strike of the breccia zones and major structural features.

A detailed magnetometer survey, utilizing a proton magnetometer, should be conducted with observations taken at 100 foot stations along the grid lines, with closer-spaced readings to fill in areas of anomalous readings. This survey should define contacts between intrusive rock phases and identify areas of higher magnetic mineral content.

A VLF-EM survey is proposed as an effective method to trace structural features (faults, shear zones, abrupt contacts, etc.) in the breccia zones, or parallel to the breccia zones. Some structural control in this orientation may have dictated location of gold mineralization.

A CEM horizontal configuration survey should be conducted to define any areas of substantial sulphide content. The massive chalcopyrite source should respond well to this survey.

An overburden geochemical soil survey detailing areas of geophysical and geological interest should be conducted using a Pionjar drill type sampler.

Geological work should include a petrographic study of the tungsten (scheelite) mineralization.

Diamond drilling of acceptable anomalies should be conducted in Phase I utilizing "H" core to achieve maximum recovery. It is anticipated that the bulk of the drilling will test mineralized zones in or parallel to the breccia pipe axis, in an area of intense alteration. The additional incremental cost of drilling with the larger core is well justified, at least in the initial stages of drill testing, to ensure that the maximum amount of information is recoverable.

Finally, it is suggested that all future work be kept "on section" to facilitate interpretation of data.

RECOMMENDED PROGRAM

An exploration project is recommended to evaluate potentially economic gold and scheelite occurrences on the Revenue Creek property of Shakwak Exploration Company Limited. The program and expected budget are summarized as follows:

Phase I

1. Line cutting (see Figure 6) approximately 25 miles @ 400.00/mile	\$ 10,000.00
2. VLF-EM survey 20 miles @ 250.00/mile	5,000.00
3. CEM survey 20 miles @ 400.00/mile	8,000.00
4. Magnetometer survey 20 miles @ 400.00/mile	8,000.00
5. Overburden geochemical survey	10,000.00
6. Survey control	5,000.00
7. Petrological study	2,500.00
8. Geological mapping, control and study	15,000.00
9. Diamond drilling 2,000 feet "H" @ 55.00/ft	110,000.00
10. Geophysical consulting	2,000.00
11. Supervision and overhead, permits, etc.	15,000.00
12. Camp operation, vehicles	8,000.00
13. Contingency (10%)	<u>19,500.00</u>
TOTAL COST PHASE I	<u>\$ 218,000.00</u>

Phase II (Contingent upon results of Phase I)

1.	5,000 "N" or "H" Diamond Drilling @ 45.00/ft	\$ 225,000.00
2.	Geological study, control and feasibility	40,000.00
3.	Supervision and overhead	24,000.00
4.	Contingency (10%)	<u>29,000.00</u>
	TOTAL COST PHASE II	<u>\$ 318,000.00</u>

## CONCLUSIONS

The Revenue Creek property of Shakwak Exploration Company Limited contains a permissive geological environment favourable to host gold, silver (+ tungsten) mineralization. Insufficient exploration work has been performed to date to evaluate the economic potential of presently known gold and silver occurrences on the property. Consequently, an exploration program has been proposed (see "Recommendations") to test the property's precious metal potential.

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