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PROSPECTUS
April 16, 1985
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A PRELIMINARY REPORT

on

SCHEE and LITE

CLAIM GROUPS

CONGLOMERATE CREEK AREA

WATSON LAKE MINING DISTRICT

YUKON

105-H-7

Latitude $61^{\circ}14'N$

Longitude $128^{\circ}45'W$

for

CLIFTON STAR RESOURCES INCORPORATED

Vancouver

September, 1983

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SUMMARY

The Schee and Lite group of mineral claims comprise thirty-nine units located in an active mining district of Yukon. They are located near the headwaters of Conglomerate Creek approximately 145 miles north of Watson Lake. Access is possible by highway and tote road.

Mineralization has been known in this area for a number of years. In 1964 a lead zinc showing was staked by Yukon Pacific Syndicate. Scheelite was later discovered and upon the result of geochemical surveys and geological mapping a number of scheelite bearing zones were discovered. Some of these zones were stripped and drilled. Most of this exploration was done on claims adjacent to the Schee and Lite claims.

A large and significant tungsten anomaly was discovered by Pan Ocean during extensive geochemical surveys done in 1973. This anomaly is known as the South Zone and is located on the Lite No. 7 mineral claim. No follow-up work was done on this zone. A number of lead zinc showings are reported on the Schee group. An exploration and development program costing \$115,000 in two phases is recommended. Phase I costing \$36,000 is designed to redefine the South Zone in detail and determine the depth of overburden. Phase II costing \$79,000 will investigate this anomaly at depth and

provide suitable access to the claim group. Geological mapping and close detailed prospecting is recommended.

These claim groups provide excellent exploration possibilities along with a known significant scheelite anomaly.

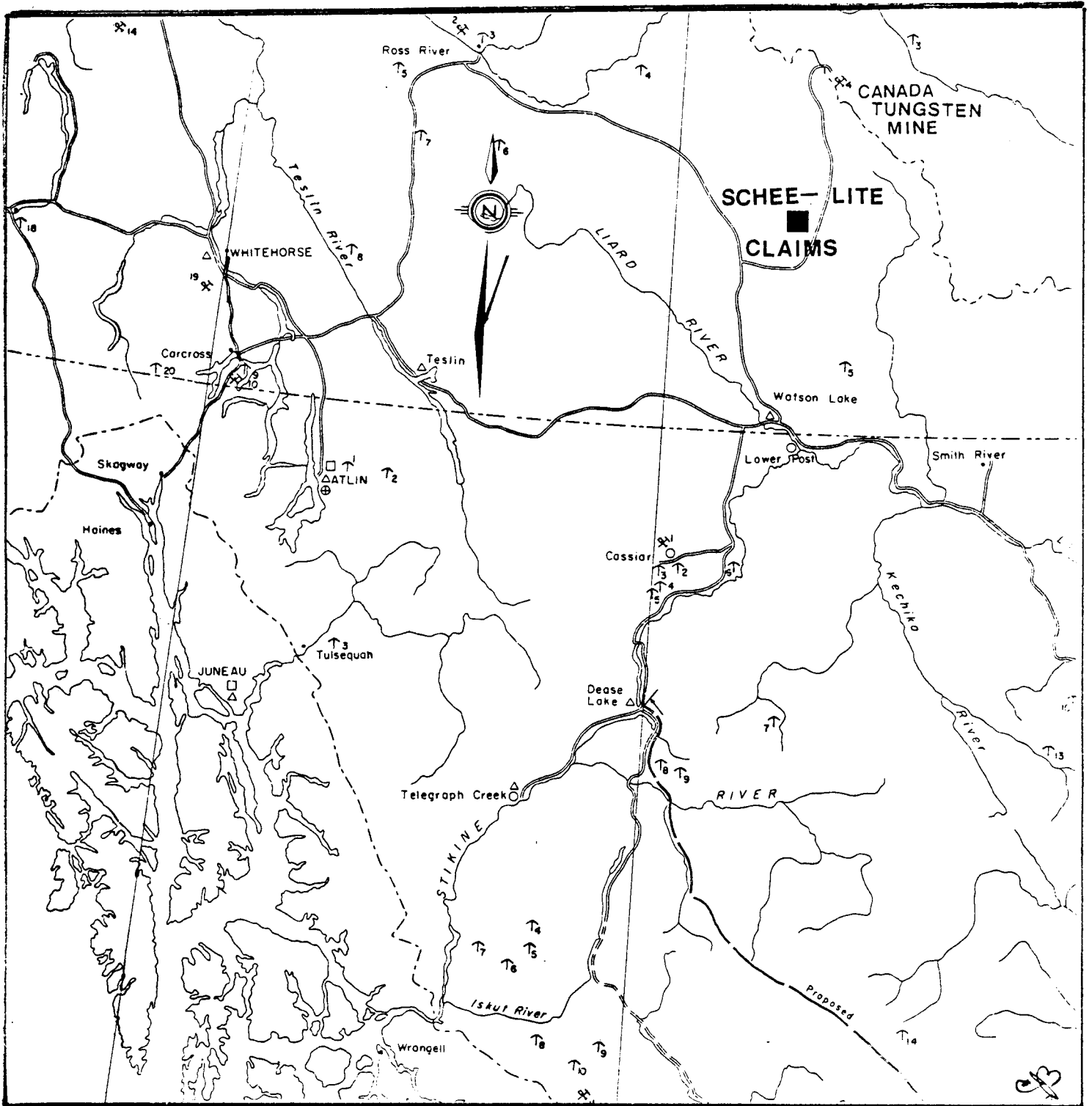
INTRODUCTION

This report is prepared at the request of the Directors of Clifton Star Resources Incorporated, Suite 709-525 Seymour Street, Vancouver, B.C.

The purpose of this report is to review the information available on the Schee and Lite groups of mineral claims and to report the results of a site examination made of these claims on September 2 and 3, 1983.

The examination was conducted by Helicopter out of Watson Lake. Frequent landings and two traverses across the claims were made. An area of trenching adjacent to the Rieta Claims was examined. The weather was unsettled with frequent rain and snow showers.

The area near the head of Conglomerate Creek and in the vicinity of the Schee and Lite claims has had a series of exploration programs executed since 1961. This work included geological geochemical and geophysical surveying, diamond drilling and the production of a small amount of scheelite concentrate for test purposes. The Schee and Lite claims have had only preliminary geochemical work. No detailed mapping is available, however a very significant anomaly exists on the Lite group of claims.



SCALE 1 in. = 50 Mi.

**LOCATION
MAP
SCHEE-LITE CLAIMS**

Fig 1

The recommendations contained in this report are based on a review of literature and on a personal examination. Don Tully, P.Eng. examined the area in 1980 and wrote a comprehensive report recommending mapping, trenching and diamond drilling on the Lite claim group.

LOCATION AND ACCESS

The Schee and Lite groups of mineral claims are located 90 miles (145 km) north of Watson Lake, Yukon and at elevations varying between 4,000 feet (1200 Metres) and 6,000 feet (1800 Metres). The properties are near the headwaters of Conglomerate Creek at Latitude $61^{\circ}14'$ north and Longitude $128^{\circ}45'$ west. The claims are in the Watson Lake Mining District, Yukon.

Access is by way of the Campbell Highway to the North Nahanni Range Road then to Kilometer 78 on the Nahanni Range Road. At this point a Tote Road 25 kilometers long leads westward to the property. This road is presently "washed out" but with little work a 4x4 vehicle could pass. Bulldozer trails lead from this tote road to the various properties.

Access at present is best by Helicopter out of Watson Lake.

TOPOGRAPHY AND CLIMATE

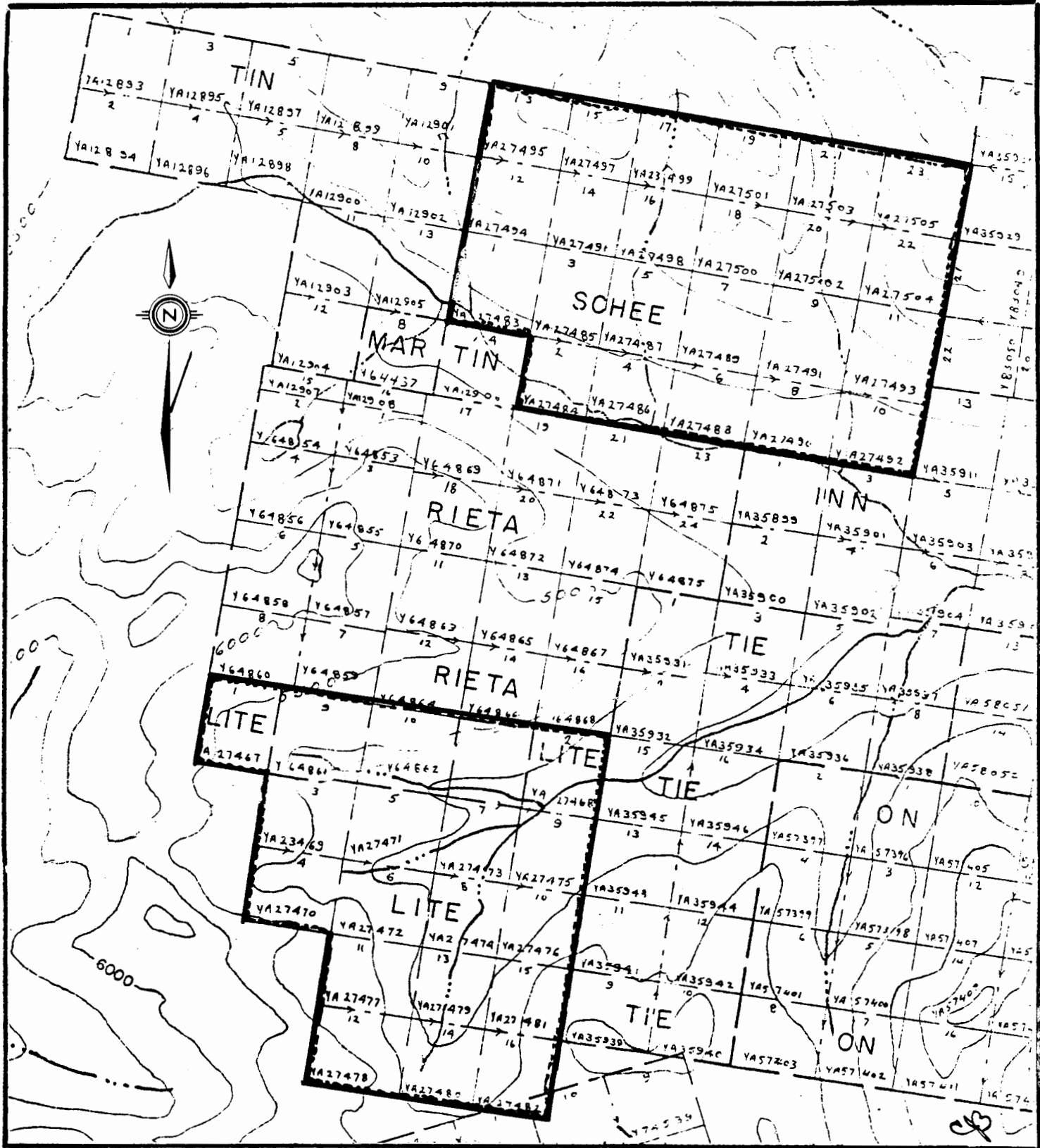
The Schee and Lite claims are located in Alpine country and above tree line. The topography on the claims varies between 4,000 feet (1200 metres) and 6,000 feet (1800 metres). The mountain slopes are steep in cirque areas with rolling topography at lower elevations.

The lower claims have a ground cover of "buck brush" and ground spruce. The higher claims have grasses of various types. Timber for mining purposes would have to be brought in from lower down Conglomerate Creek where good stands of spruce exist.

The climate is cold in winter with most precipitation falling as snow in late fall and early spring. The summers are usually sunny and warm with light rainfall. Freeze-up usually starts in early November and lasts until late March. Summer lasts from June to September.

Water is reasonably plentiful for drilling and exploration. There is ample water throughout the year for mining purposes in the main creeks and rivers that traverse the area at lower elevations.

No abnormal environmental problems appear to exist within the area of the Schee and Lite claims.



CLAIM MAP
SHEETS 105H/2 & 7
YUKON

SCALE 1 : 38,815
 1in = 1/2mi

Fig.2

CLAIMS

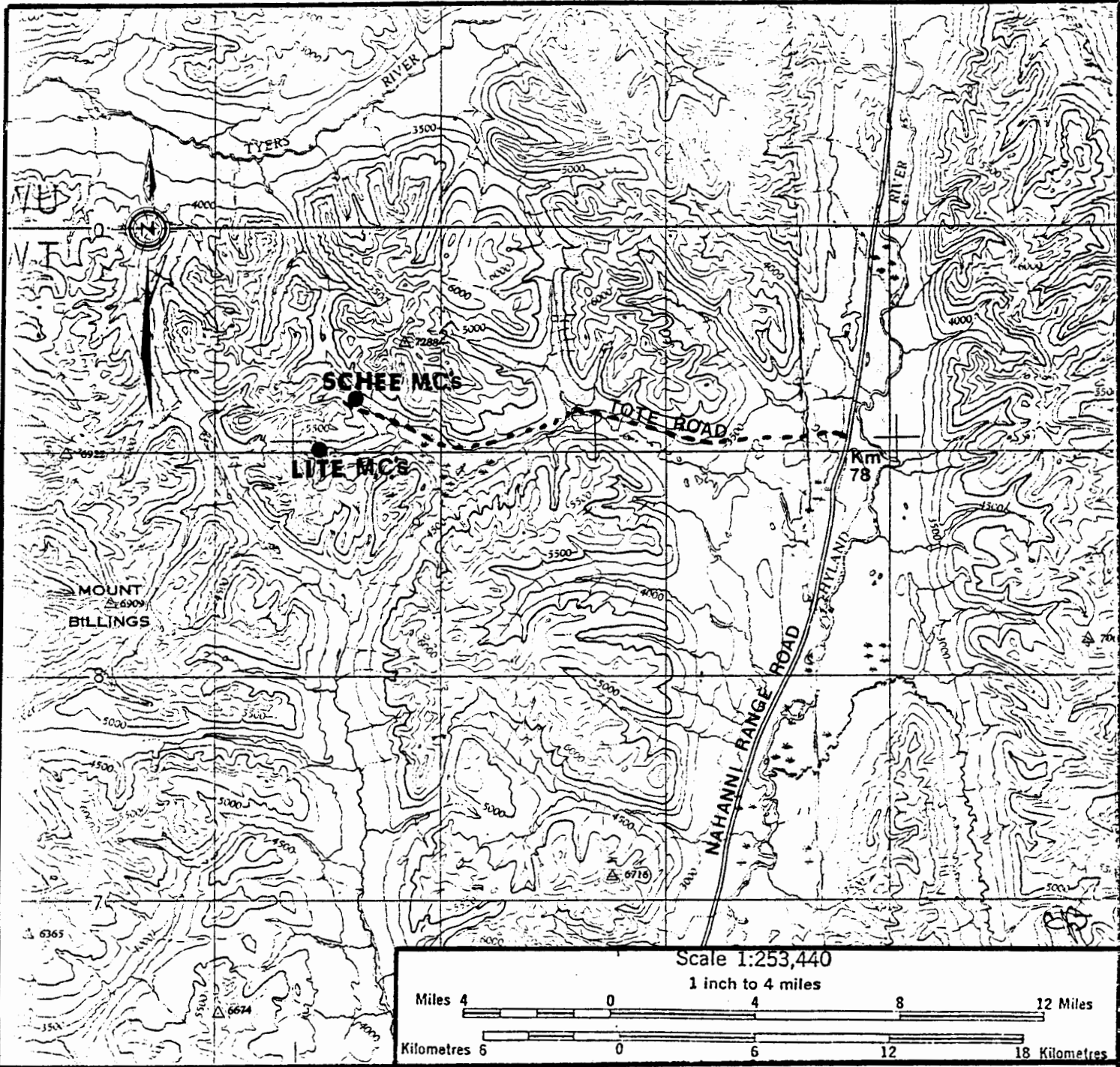
The Schee and Lite claims are recorded in the Watson Lake Recording office, Watson Lake, Yukon. They consist of two separate claim groups, The Schee group of 23 claims and the Lite group of 16 claims. Both groups of claims were recorded October 26, 1977.

<u>Claim</u>	<u>Record Number</u>	<u>Located</u>
Lite 1-16	YA27467-YA27482	October 26, 1977
Schee 1-23	YA27483-YA27505	October 26, 1977

The recorded owner of the Schee and Lite claims is Clifton Resources Incorporated of Suite 709-525 Seymour Street, Vancouver, B.C. The claim record numbers and location are shown on Yukon Claim Map 105-H-7.

HISTORY

Mineralization in the area has been known since before 1960. In 1964 Pacific Syndicate discovered lead-zinc mineralization near the head of Conglomerate Creek which resulted in geological and geochemical surveys being undertaken. In 1965 Silver Duke Mines continued this work. A tote road 25 kilometers long was constructed from Kilometer 78 North Nahanni Range Road to the head of Conglomerate Creek. Silver Duke Mines are reported to have drilled two diamond drill holes on a magnetic anomaly. The property was then dormant for a year.



FRANCES LAKE
 YUKON TERRITORY AND DISTRICT OF MACKENZIE

TOPOGRAPHY
 N.T.S. 105 H

Fig.3

In 1972 Dusty Mac Mines conducted large scale geochemical soil and silt surveys. Some hand trenching and geological and geophysical surveys were also done at that time. This work covered most of the claim groups lying to the north of the Lite group and southwest of the Schee group on ground now registered in the name of Turner-Tungsten Limited. Late in 1972 tungsten was discovered on the Mar claim.

Pan Ocean optioned ground in the area of the Lite and Rieta claims and conducted geological and geophysical surveys. Some stripping was done along the Lite Rieta claim boundaries.

In 1977 Turner-Hindmarsh Tungsten Limited produced a small amount of Scheelite concentrate from a 30 ton pilot mill located on the Mar claim. A major program of trenching and stripping was completed which resulted in 400 metres of diamond drilling in 1979.

Tengco Resources Corporation was formed to assemble the various claim groups in the area. A comprehensive summary report was written by D. Tully (1980). Some additional drilling was done at this time. Tully reported that over one half million dollars had probably been spent to date in the area.

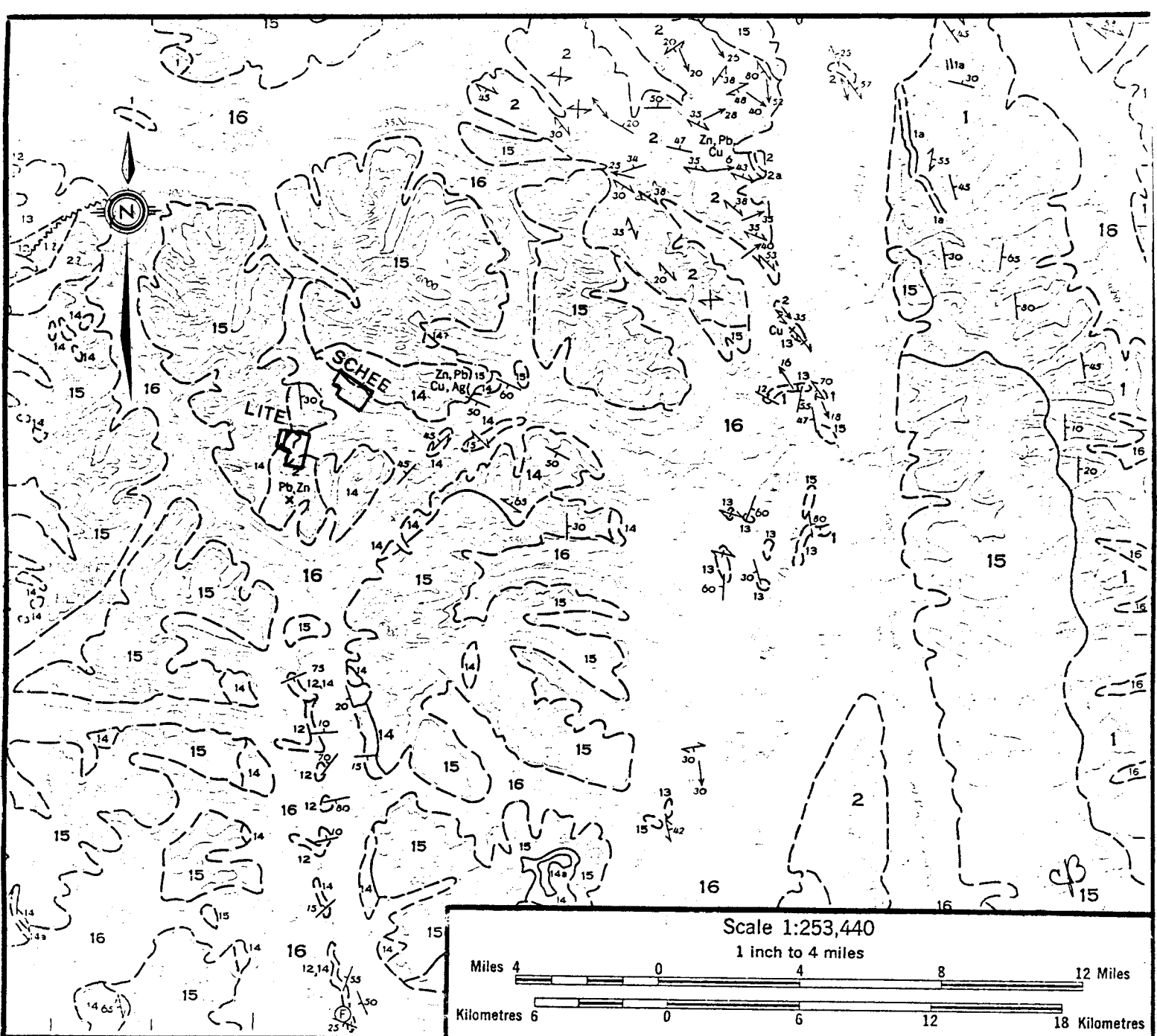
Clifton Resources Incorporated obtained the Schee and Lite groups of claims in 1982. These claims have had little if any work done on them, however a geochemical survey by Pan Ocean did outline a large tungsten anomaly on the Lite 7 mineral claim.

GEOLOGY

The regional geology is shown on the Geological Survey of Canada map sheet 6-1966, part of which is appended to this report. The Schee and Lite claims are underlain by a series of metamorphic pelitic rocks containing calcareous horizons which for the most part have been altered to hornfels and skarn. This series of metasediments have been cut by a large intrusive mass on the north and west. This intrusive is intermediate in composition and is largely biotite-quartz monzonite or granodiorite. There is some sill and dyke activity near the contact areas with the metasediments in part grading into the intrusive leaving a diffused contact zone.

Reconnaissance mapping along the border of the Rieta and Lite claims disclosed a series of alternating calcareous and quartzite horizons. Some of the calcareous horizons had, in places, been altered to hornfels. The intrusive contact at this locality lay 300 metres to the west.

An anomaly known as the south zone lies 4,000 feet (1200 metres) south of the Rieta-Lite boundary and is on the Lite 7 mineral claim. A reconnaissance of creeks located on both sides of this anomaly disclosed a sequence of calcareous quartzite horizons with some



LEGEND

QUATERNARY

16 Unconsolidated glacial and alluvial deposits

CRETACEOUS (?)

15 Fine- to medium-grained biotite-quartz monzonite, granodiorite, minor diorite and gneiss; 15a, fine- and medium-grained biotite hornblende quartz monzonite and granodiorite, in part porphyritic; 15b, hornblende syenite

DEVONIAN AND (?) MISSISSIPPIAN

14 Rusty brown weathering fine-grained schistose and spotted biotite hornfels, fine-grained quartzite, black pyritic argillite, dense light green to grey calc-silicate hornfels and fine-grained marble; minor slate, silty limestone and greywacke; 14a, light grey thin-bedded fine-grained marble and calc-silicate hornfels. May include some 1 and 2

CAMBRIAN AND/OR EARLIER

2 Quartz-feldspar-mica gneiss and schist, granitoid gneiss, feldspathic and micaceous quartzite, biotite schist, minor marble and skarn; numerous small granitic bodies, aplite and pegmatite; 2a, fine- to coarse-grained marble

MAP 6-1966
GEOLOGY
FRANCES LAKE

sill activity and was similar in nature to the previously described traverse. The anomaly itself is covered by overburden and glacial drift. The distance between the two creeks at this locality is approximately 1500 feet (500 metres).

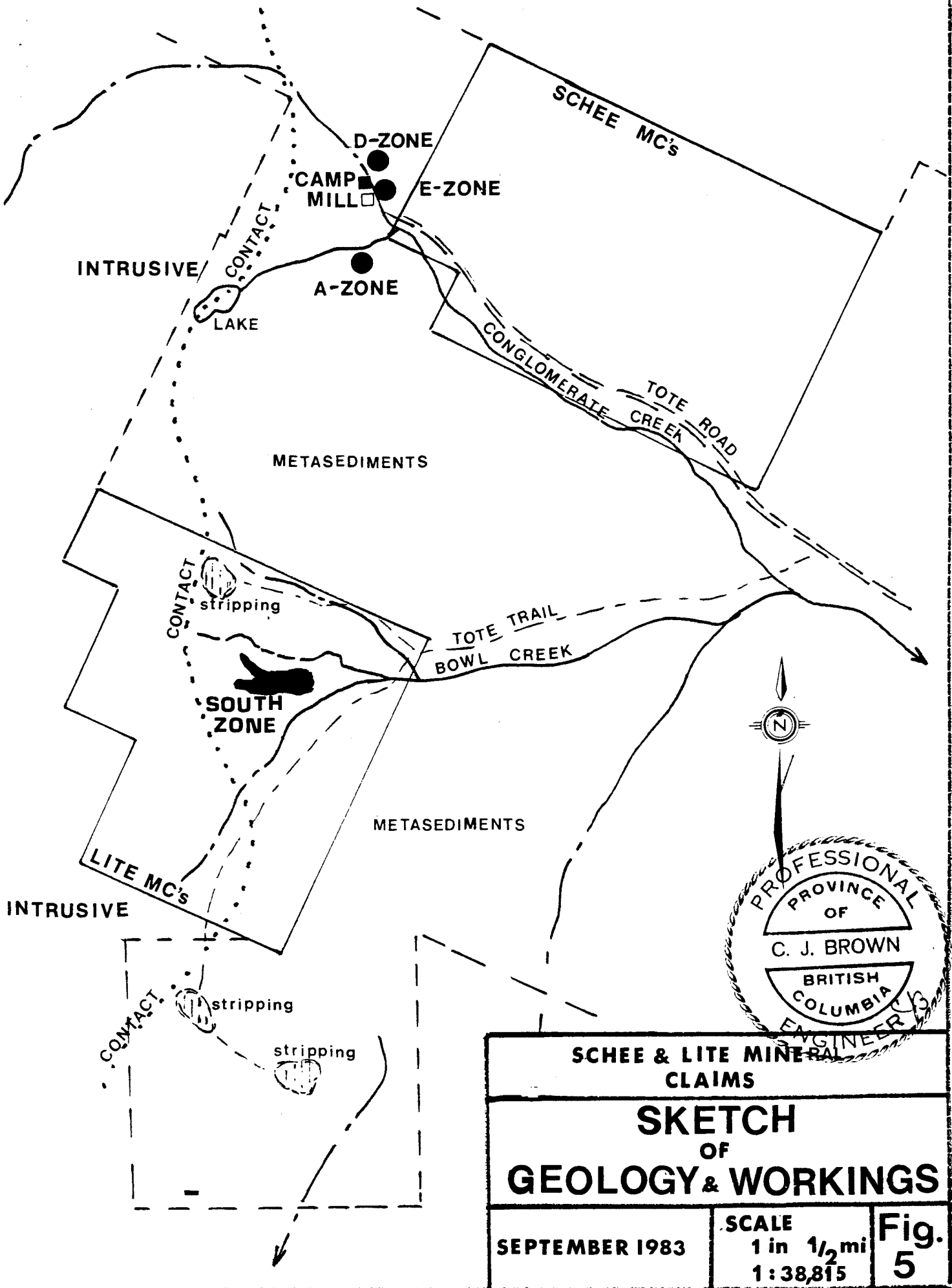
MINERALIZATION

There is no known economic mineralization on the Schee and Lite claims, however previous prospecting is reported to have uncovered both lead and zinc on the Schee claims.

The Lite claims contain the South Zone anomaly. This area is located on the Lite 7 mineral claim and was outlined by Pan Ocean in 1973. The main part of this zone is 800 feet (250 metres) by 800 feet (250 metres) with extensions to the northwest. This anomalous area contains tungsten values in the soils up to 3 or 4 times background for the area. No follow up work has been done on this anomaly.

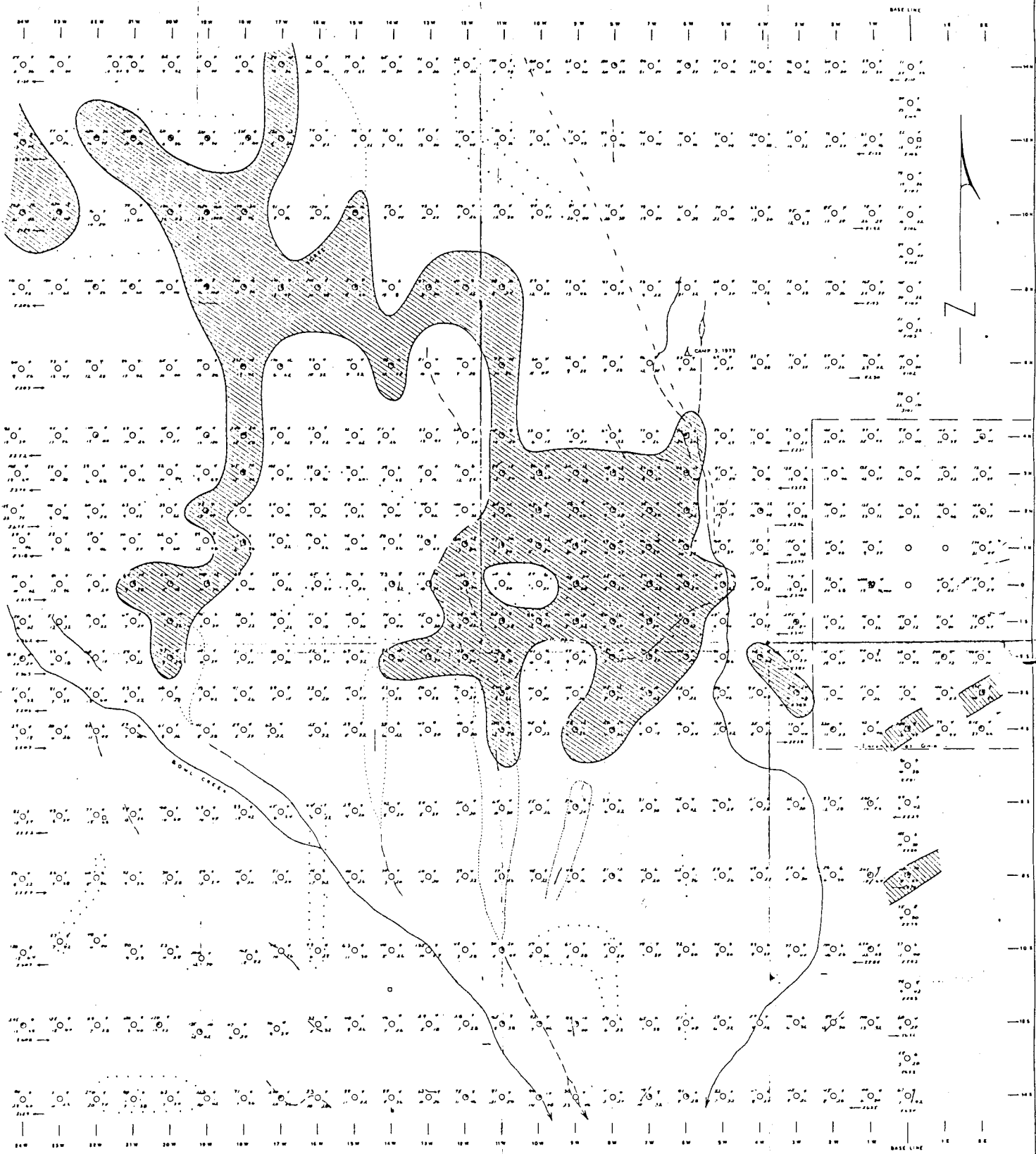
OBSERVATIONS

The area adjacent to the Schee and Lite groups of mineral claims has been known over a number of years to contain economic values




in silver, lead, zinc and tungsten. It was reported by (Tully 1980) that the area has had over one half million dollars spent on exploration and development and contains a number of showings awaiting further development.

The Lite group contains an impressive tungsten anomaly contained within favourable rock types and geological conditions. The Schee group is separated from the Lite group by a series of claims owned by others. Some of these intervening claims have promising mineral showings. Silver, lead and zinc are reported to occur on the Schee group and should receive further investigation.



LEGEND

- CREEK
- - - TEMPORARY DRAINAGE
- - - WATERFALL
- BULLY
- SCREE
- SCARRY ROAD
- ABUNDANT REMOVAL LIMESTONE WITH IRON NODULES INCLUSIONS - DUFF
- IRON ORE STAINED SOIL
- CLAIM POSTS


AREA OF TUNGSTEN VALUES IN SOIL

MODIFIED JUNE 30, 1980

METRES
 0 20 40 60 80

Ca	75	30
Mean S	24	72
Stdev S	17	44
S - 1.96		
S + 1.96		
N	20	40
S.E.		
S		

SAMPLE SITE
 Ca 75 30
 S 24 72
 S.E. 17 44

FIGURE 6

JOHN S. VINCENT LTD.	
PAN OCEAN OIL LTD.	
FIG. 6	PL. PROJECT
GEOCHEMISTRY	
SOIL SURVEY	
WHITEHOLE AUG 25 1975	FOLKES HILBORN
100	200

RECOMMENDATIONS

It is recommended that a two phased exploration and development program costing \$115,000 be undertaken on the Schee and Lite group of mineral claims.

These claims and adjacent areas should be mapped geologically on a scale of 1:5000 using photogrametric maps. This mapping should be accompanied by close prospecting and where advisable, geochemical surveying. The claim boundaries need to be located and mapped.

The South Zone anomaly needs to be relocated and outlined in detail by additional geochemistry. The tote road to the area needs repair and upgrading and a bulldozer trail from it to the South Zone constructed. Stripping by bulldozer of the South Zone may prove difficult because of the depth and type of overburden. A simple hammer seismic survey would assist in determining whether stripping by bulldozer is warranted or whether it is necessary to go directly to diamond drilling.

ESTIMATE OF COSTS

PHASE I

Photogrametric Map of Schee and Lite claim group	\$ 2,500
Geological Mapping	
Geologist	6,000
Assistant	3,000
Relocation of South Zone by geochemistry	
South Zone 250 m. x 250 m.	6,000
500 assays @ \$7.00	3,500
Seismic Survey	4,000
Helicopter Service	3,500
	<hr/>
Total	\$28,500
Camp, supplies and contingencies 28,500 x 15%	4,275
Engineering and Report	3,000
	<hr/>
Total Phase I	\$35,775

Carried forward

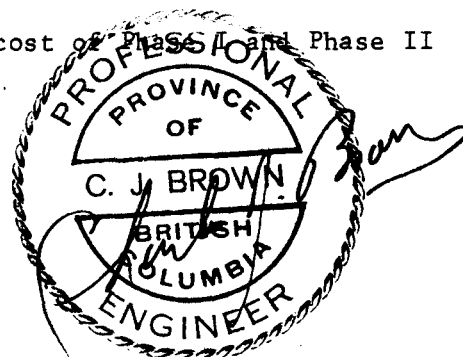
\$ 35,775

PHASE II

Depending on the results obtained in Phase I and on the advice of the engineer the following program is proposed on confirmation of the South Zone anomaly. If the seismic survey shows the depth of overburden to be less than 2.5 metres then stripping by bulldozer be undertaken before diamond drilling.

Tote road rehabilitation and bulldozer trail to property 80 hrs. bulldozer @ \$125/hr.	\$10,000	
Stripping and trenching 80 hrs. @ \$125/hr.	10,000	
Depending on the results of stripping Diamond drilling to 100m depth 3 holes = 300m @ \$164/m	49,200	
Supervising, core logging, assaying, camp costs, transportation etc.	10,000	
	<hr/>	
Total Phase II	\$79,200	\$ 79,200
		<hr/>
Total of Phase I and Phase II		\$114,975

It is therefore estimated that the cost of Phase I and Phase II would be in the order of \$115,000.



REFERENCES

- Tully, Donald W., Summary Report on the Tin 1-6, Mar 8, Schee 1-23, Rieta 1-24, Lite 1-16 Mineral Claim Group. Tungco Resources Corporation, June 30, 1980.
- Watson, P., Yukon Exploration and Geology 1981, Frances Lake Map-Area (NTS105H) pp 138-145
- Sinclair, W.D. (Blusson 1966) Mineral Industry Report 1975, Susan 1-38 pp 168
- E.Roots, L. Green
J. Roddick, S. Blusson, Geology Frances Lake, G.S.C.
Map 6-1966

CERTIFICATE

I Charles J. Brown of Vancouver, B.C. hereby certify that

1. I am a Geological Engineer residing at 2855 West King Edward Avenue, Vancouver, B.C., V6L 1V1.
2. I am a geological graduate (1952) of the University of British Columbia.
3. I am a registered member of the Association of Professional Engineers of B.C. and Yukon.
4. I am a registered Mining Engineer in the State of Alaska.
5. I am a member of the Canadian Institute of Mining and Metallurgy.
6. I have practiced my profession continuously since 1952.
7. The information contained in this report is based on a personal examination of the Schee and Lite claims in September, 1983, and on a comprehensive report on the claim group by Don Tully, P.Eng. dated June 1980.
8. I have no direct or indirect interest nor do I expect to receive any in Clifton Star Resources Incorporated or in any of their affiliates. I have no direct or indirect interest in the Schee and Lite mineral claims.
9. Permission is given to reproduce this report or any part of it for purposes of a financial prospectus or Statement of Material Fact, provided however, the information is used out of context.

September 19, 1983

