

GOLDEN GATE EXPLORATIONS LTD.

(Non-Personal Liability)

PROSPECTUS

Registered Office:
Suite 1322
510 West Hastings Street
Vancouver 2, British Columbia

092070

The purchase of securities offered by this Prospectus must be considered a speculation.

"No Securities Commission or similar authority in Canada has in any way passed upon the merits of the Securities offered hereunder and any representation to the contrary is an offence."

GOLDEN GATE EXPLORATIONS LTD.
(Non-Personal Liability)

PROSPECTUS

- (a) The full name of the Company is GOLDEN GATE EXPLORATIONS LTD. (N.P.L.), 714 West Hastings Street, Vancouver 1, British Columbia.
- (b) The Company was incorporated under the "Companies Act" of the Province of British Columbia by Certificate of Incorporation dated the 7th day of April A.D., 1964.
- (c) The Company was incorporated as a Private Company on the 7th day of April A.D., 1964, and was converted into a Public Company on the 1st day of December A.D., 1965, after having amended the relevant provisions of its Articles of Association that were inconsistent with the constitution of a Public Company.
- (d) The Officers and Directors are as follows:

William Joseph Abraham, Director, President
1474 East 20th Avenue
Vancouver, B. C.
Prospector

Thomas D. Lytton, Director, Secretary
4443 Carson Street
Burnaby, B. C.
Businessman

Frank Cooke, Director
2809 Mathers Avenue
West Vancouver, B. C.
Prospector

George Griffith, Director
777 Burrard Street
Vancouver, B. C.
Prospector

Harry Fromme, Director
Box 2029
Whitehorse, Y.T.
Contractor

The Promoters are as follows:

William Joseph Abraham
1474 East 20th Avenue
Vancouver, B. C.
Prospector

Thomas D. Lytton
4443 Carson Street
Burnaby, B. C.
Businessman

- (e) The Auditor of the Company is:
 McDonald, Currie & Co.
 Chartered Accountants
 640 West Hastings Street
 Vancouver, B. C.
- (f) The Registrar and Transfer Agent of the Company is:
 Commonwealth Trust Company
 562 Burrard Street
 Vancouver 1, B. C.
- (g) The authorized capital of the Company is One Million, Five Hundred Thousand (\$1,500,000.00) Dollars divided into Three Million (3,000,000) shares of a nominal or par value of fifty (\$.50) cents each out of which Seven Hundred and Seventy-Five Thousand, One Hundred and One (775,101) are issued and paid up.
- (h) The Company has no bonds or debentures outstanding and does not propose to issue any.
- (i) Certificates representing Seven Hundred and Fifty Thousand (750,000) shares of the Company are held in Escrow by the Commonwealth Trust Company subject to release and can be dealt with only with the written consent of the Securities Commission of the Province of British Columbia.
- (j) Shares sold for cash to date — Twenty-five Thousand, One Hundred and One (25,101) sold for the following consideration:
- (i) Twenty-five Thousand, One Hundred and One (25,101) shares @ \$.30.
 - (ii) Total cash received for the sale of shares sold is Seven Thousand, Five Hundred and Thirty (\$7,530.30) Dollars and Thirty Cents.
 - (iii) No commission was allowed or paid on the sale of the above shares.
 - (iv) Total discount allowed in consideration of the sale of the above shares was Five Thousand and Twenty Dollars and Twenty (\$5,020.20) Cents.
- (k) No Securities other than shares have been sold by the Company.
- (l) There are no shares issued or to be issued or cash paid or to be paid to any Promoter as such except the following: Pursuant to the Agreement in writing dated the 31st day of July A.D., 1965, the ownership in the Mineral Claims more particularly described in (m) (i) (A) hereof was obtained by the Company in consideration of the payment of the following fully paid and non-assessable shares of the Company to the following persons:
- | | |
|------------------------|----------------|
| William Joseph Abraham | 187,500 shares |
| George Ralph Griffith | 187,500 shares |
| Thomas D. Lytton | 187,500 shares |
| Frank Cooke | 187,500 shares |

The Company has acquired the rights to obtain complete ownership of the Mineral Claims set out in (m) (i) (B) hereof pursuant to an Agreement in writing dated the 25th day of October A.D., 1965 pursuant to which Agreement no money or shares

passed from the Company to the owners of the said Mineral Claims but as result of the said Agreement the afore mentioned William Joseph Abraham, George Ralph Griffith, Thomas D. Lytton and Frank Cooke have agreed to transfer and assign over to the Vendors One Hundred and Eighty Thousand (180,000) of the Vendors' shares in the previous paragraph.

- (m) (i) (A) The Company is the owner in one complete group of Mineral Claims located in the Golden Mining Division approximately twenty (20) miles west of Radium Junction on Highway 95 and are more particularly known and described as:
 Bill 1 to 24 inc. Record Nos. 3396 to 3419 inc. (hereinafter referred to as the "Radium Properties").
- (B) The Company has the right to acquire ownership in a group of Mineral Claims situate in the vicinity of Haines Junction in the Yukon Territory pursuant to an Option Agreement in writing dated October 25th, A.D., 1965, such claims being known and more particularly described as:
- | Name | Grant Number |
|-----------------|-----------------|
| Rex 1 to 4 inc. | 73601 to 4 inc. |
| Rex 5 to 8 inc. | 73753 to 6 inc. |
| Bestos 1 and 2 | 77855 to 6 inc. |
| Gina Number 3 | 85243 |
| Gina Number 5 | 85245 |
| Gina Number 7 | 85247 |
- (hereinafter referred to as the "Haines Properties").
- (ii) The names and addresses of all Vendors of property purchased or intended to be purchased by the Company and the consideration paid to each and a description of the property acquired or to be acquired from each is as set out hereunder.
- (A) The Mineral Claims described in (m) (i) (A) were acquired in consideration of the allotment of the following fully paid shares to the following persons:
- | | | |
|-----------------------|--|---------|
| William J. Abraham | | |
| 1474 East 20th Avenue | | |
| Vancouver, B. C. | | 187,500 |
| George Ralph Griffith | | |
| 777 Burrard Street | | |
| Vancouver, B. C. | | 187,500 |
| Thomas D. Lytton | | |
| 4443 Carson Street | | |
| Burnaby, B. C. | | 187,500 |
| Frank Cooke | | |
| 2809 Mathers Avenue | | |
| West Vancouver, B. C. | | 187,500 |
- (B) The Mineral Claims described in (m) (i) (B) were acquired by the Company at no cost to the Company but by the assignment of Forty-five Thousand (45,000) shares from each of the Vendors set out in (m) (ii) (A) to a group of three (3) Vendors as follows:

- | | | |
|--|--|--------|
| | Harry C. Fromme
Whitehorse, Y.T. | 60,000 |
| | Per Johnson
Whitehorse, Y.T. | 60,000 |
| | William Abraham
1474 East 20th Avenue
Vancouver, B. C. | 60,000 |
- (iii) No person or Company to the knowledge of the Company is to receive an interest in the consideration received by the Vendors in an amount greater than one twentieth (1/20th) thereof.
- (iv) The Radium Properties are accessible by road and trail, 24 miles of which is road from Radium Junction on Highway 95 and the last 3 miles of which is by trail.
The Haines Properties are accessible by road from the Haines Road in the Yukon Territory at a distance of approximately seven (7) miles.
- (v) There is no underground development work on the Radium Properties and the Company owns no underground equipment.
The only underground development work on the Haines Properties consists of diamond drilling, particulars of which are set out in the Engineering Report of Joseph Sullivan, P.Eng., dated the 18th day of November, 1965, and filed with the Superintendent of Brokers, a copy of which accompanies this Prospectus.
- (vi) There has been no surface development work on the Radium Properties and the Company owns no surface equipment. For particulars of the extent of surface development on the Haines Properties, reference may be made to the Report of Joseph Sullivan, P.Eng., dated the 18th day of November, 1965, filed with the Superintendent of Brokers, a copy whereof accompanies this Prospectus.
- (vii) For a history of the Radium Properties, reference may be had to the Engineering Report of Joseph Sullivan, P.Eng., dated the 1st day of August A.D., 1965, and filed with the Superintendent of Brokers, a copy whereof accompanies this Prospectus.
For a history of the Haines Properties, reference may be had to the Engineering Report of Joseph Sullivan, P.Eng., dated the 18th day of November A.D., 1965, and filed with the Superintendent of Brokers, a copy whereof accompanies this Prospectus.
- (viii) The present management has performed no work on either of the Radium or Haines Properties.
- (n) The Company is offering by this Prospectus, Two Hundred Thousand (200,000) shares at Fifty (\$.50) Cents per share payable in cash upon application and subject to the payment or allowance of a commission not to exceed twelve and one-half (\$.12½) Cents per share.

The rate of commission is Twenty-five (25%) percent. There has been no option given or to be given and there have been no underwriting agreements entered into or presently contemplated by the Company with respect to its securities.

- (o) For particulars of the plans and of the development of the Company's properties, the Company plans to follow the recommendations set out by Joseph Sullivan, P. Eng., in his Engineering Reports bearing the dates August 1st, A.D., 1965, and November 18th, A.D., 1965, respectively in connection with the following Properties.

RADIUM PROPERTIES

Cost of the Recommendation Work:		
Stage 1: (Time — 6 weeks)		
Camp and cooking supplies		\$ 500.00
Engineering and office supplies		150.00
Blasting powder, fuse and caps		150.00
Packsack type drill rental, fuel and bits		500.00
Assaying		750.00
Mobilization to Horsethief Creek, 4 men and supplies		500.00
Helicopter, mobilization and demobilization, 12 hours at \$130.00/hour		1,560.00
Food cost — 5 men x \$1.50 x 43 days		315.00
Wages:		
Engineer — \$800.00/mo	\$1,200.00	
Helper — \$400.00/mo	600.00	
2 Miner-drillers — \$500.00/mo	1,500.00	
Cook — \$500.00/mo	750.00	
	<u>\$4,050.00</u>	
Payroll and fringe benefits at 12%	495.00	4,545.00
Demobilization from Horsethief Creek		500.00
Sub Total		<u>9,470.00</u>
Contingencies at 10%		947.00
TOTAL		<u>\$10,417.00</u>

HAINES PROPERTIES:

Bulldozing, 50 hrs. at \$20.00/hr.	\$ 1,000.00
Mapping and sampling	2,500.00
Geophysics	500.00
Diamond drilling:	
To include camp cost and local transportation \$9.00/ft. —	
6,000 ft. at \$9.00/ft.	54,000.00
Mobilization and demobilization	4,000.00
Drafting, supervision, and additional travel	3,500.00
Total estimate	<u>\$65,500.00</u>
SAY	<u>\$66,000.00</u>

No part of the proceeds will be used to invest, underwrite, or trade in securities other than those that qualify as investments in which Trust Funds may be invested under the laws of the jurisdictions in which the securities offered by this Prospectus may lawfully be sold.

Should the registrant propose to use the proceeds to acquire non trustee type securities after the initial distribution of the securities offered by this Prospectus, approval by the shareholders will be obtained and disclosure will be made to the regulation securities bodies having jurisdiction over the sale of the securities offered by this Prospectus.

- (p) The Company has been incorporated for more than one year and no expense remains outstanding for formation or incorporation of the Company.
- (q) There is no substantial indebtedness to be created or assumed that has not been shown on the Balance Sheet filed herein, dated the 31st day of July A.D., 1965, and filed with the Superintendent of Brokers, a copy of which accompanies this Prospectus.
- (r) The principal business in which each Director of the Company has been engaged in during the immediate preceding three years is as follows.

William Joseph Abraham
Self-employed Prospector
1474 East 20th Avenue
Vancouver, B. C.

Thomas D. Lytton
Manager of Private Hospital
4443 Carson Street
Burnaby, B. C.

Frank Cooke
Self-employed Prospector
2809 Mathers Avenue
West Vancouver, B. C.

George Griffith
Self-employed Prospector
777 Burrard Street
Vancouver, B. C.

Harry Fromme
General Manager, General Enterprises Ltd.
Box 339
Whitehorse, Y.T.

- (s) The only interest, direct or indirect, of any of the Directors in any property at any time acquired or to be acquired by the Company is that set out in (m) (ii) hereof.
- (r) The aggregate remuneration paid to the Directors during the fiscal year last ended amounts to NIL, and to the Officers of the Company NIL.
- (u) It is estimated that there will be paid to the:
- | | |
|---------------------|-----|
| (i) Directors | Nil |
| (ii) Officers | Nil |
| Total | Nil |
- (v) Messrs. Abraham, Lytton, Griffith and Cooke, by virtue of beneficial ownership of securities of the Company may, in combination, elect or cause to be elected a majority of the Directors of the Company.

- (w) There have been no dividends paid within the five years preceding the date of this Prospectus
- (x) There is no other material fact not disclosed under any other provision of this Act.
- (y) The foregoing constitutes full, true and plain disclosures of all material facts in respect of the offering of the securities referred to above, as required by the "Securities Act" of the Province of British Columbia, and there is no further material information applicable other than in the Financial Statement or reports where required.
- (z) There are no underwriters or optionees of the security.

DATED at Vancouver, British Columbia, this 24th day of November A.D., 1965

W. ABRAHAM
H. FROMME
T. D. LYTTON
FRANK COOKE
GEORGE R. GRIFFITH

McDONALD, CURRIE & CO.

Chartered Accountants

INTERNATIONAL FIRM
COOPER & LYBRAND

Telephone 682-7821
640 West Hastings Street
Vancouver 2, British Columbia
Canada

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Golden Gate Explorations Ltd. (N.P.L.) as at July 31, 1965, and the statement of source and use of funds for the period ended on that date. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of source and use of funds, supplemented by the schedule appended thereto, present fairly the financial position of the company as at July 31, 1965, and the results of its operations for the period ended on that date in accordance with generally accepted accounting principles.

November 12, 1965

"McDonald, Currie & Co."
Chartered Accountants

GOLDEN GATE EXPLORATIONS LTD.
(Non-Personal Liability)

BALANCE SHEET AS AT JULY 31, 1965

ASSETS

CURRENT ASSETS		\$
Cash		1,310
MINING PROPERTIES — at cost, being the amount attributed to 750,000 shares of capital stock issued in consideration for such properties		
	375,000	
DEFERRED EXPENSES		
Exploration, development and administrative — per schedule	4,193	
Organization costs	847	5,040
	<u>381,350</u>	

LIABILITIES

CURRENT LIABILITIES		
Accounts payable	2,189	
Due to shareholders	1,050	3,239

SHAREHOLDERS' EQUITY

CAPITAL STOCK		
Authorized —		
3,000,000 shares of a par value of fifty cents each		
Issued and fully paid —		
10,368 shares for cash	5,184	
Less: Discount	2,073	
	<u>3,111</u>	
750,000 shares for properties	375,000	378,111
	<u>760,368</u>	<u>381,350</u>

SIGNED ON BEHALF OF THE BOARD

"George R. Griffith", Director

"Thomas D. Lytton", Director

NOTE: The amounts shown for mining properties and deferred expenses represent costs to date and are not intended to reflect present or future values.

McDonald, Currie & Co.

GOLDEN GATE EXPLORATIONS LTD.
(Non-Personal Liability)

STATEMENT OF SOURCE AND USE OF FUNDS
FOR THE PERIOD FROM APRIL 7, 1964

(Date of Incorporation)

TO JULY 31, 1965

SOURCE OF FUNDS		\$
Proceeds from sale of capital stock (10,368 shares)		3,111
USE OF FUNDS		
Exploration, development and administrative expense	4,193	
Organization costs	847	5,040
	<u>4,193</u>	<u>5,040</u>
WORKING CAPITAL DEFICIENCY —		
END OF PERIOD		<u>1,929</u>

McDonald, Currie & Co.

GOLDEN GATE EXPLORATIONS LTD.
(Non-Personal Liability)

SCHEDULE OF EXPLORATION, DEVELOPMENT AND
ADMINISTRATIVE EXPENSE

FOR THE PERIOD FROM APRIL 7, 1964

(Date of Incorporation)

TO JULY 31, 1965

EXPLORATION AND DEVELOPMENT EXPENSE		\$
Bill group mineral claims	2,087	
Exploration expense unallocated	928	3,015
ADMINISTRATIVE EXPENSE		
Legal and audit	1,000	
Rent	65	
Office and sundry	113	1,178
	<u>1,178</u>	<u>1,178</u>
TOTAL EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSE		
TO JULY 31, 1965		<u>4,193</u>

McDonald, Currie & Co.

JOSEPH SULLIVAN, P.Eng.
August 1, 1965

A REPORT ON
THE NIP AND TUCK AND BILL GROUPS OF CLAIMS
RADIUM JUNCTION, B. C.
GOLDEN, M.D.

INTRODUCTION:

The information contained herein is both first hand and research data. The writer spent one full day on the claims on July 17, 1965, in the company of Mr. Frank Cooke, Vancouver, B. C. This examination included a look at the surface showing of the "Silver King" zone just below timber line on Red Line Creek, then a climb in the upper basin of Red Line to see the "Nip and Tuck" showings at 9,000 feet A.S.L.

LOCATION AND ACCESS: (N 50°45' — E 116°20')

The claims are situated in the Golden mining division of British Columbia. Radium Junction on Highway 95, lies 19 air miles northeast. The northerly claims cover most of Red Line Creek, a tributary of McDonald Creek; the southerly claims spread eastwest to cover the showings in the cirque at the head of Red Line

The property may be reached by road and trail in a 27 mile trip from Radium Junction. This is a 20 mile drive up the Horsethief Creek road, thence up the McDonald Creek road for about four miles. The road gradually deteriorates to a trail so that the last three miles, after turning up Red Line Creek, is by foot.

PROPERTY:

There are 26 located mineral claims in one contiguous group. They are the Nip and Tuck Nos. 1 and 2, and the Bill Nos. 1 to 24. The recorded owners for the two Nip and Tuck claims are Messrs. J. Mobotny and T. Tuma of Vancouver, B. C. The recorded owner for the Bill claims is: Golden Gate Explorations Ltd., 714 West Hastings Street, Vancouver, B. C.

HISTORY:

The earliest mention of these deposits noted by the writer is in the 1902 British Columbia Report of the Minister of Mines. By that time a 40 foot adit and several open cuts had been made. Claims were referred to as the Iron Cap and the Tecumseh Group.

In 1906 a 53,675 pound shipment was made to the Trail smelter averaging 83 ozs. silver and 56.60 percent lead.

In 1915 the Tecumseh Group had the new Name Nip and Tuck. A trial shipment of 10 tons was made that netted a return of \$60.00 per ton.

In 1922 the Interprovincial Mines Development Company acquired the property on bond and started work during that summer. This effort uncovered sufficient surface showings to indicate the continuity of the mineralization for a considerable distance. A low level adit from the west was started to undercut the mineral zones by about 500 feet, thus enabling work to be conducted from a point outside the upper basin.

In the last forty years or more, the work conducted on the claims has been only sufficient to cover assessment work for one or two claims.

TOPOGRAPHY, TIMBER AND WATER:

McDonald and Red Line creeks flow northerly through an extremely rugged area. The relief is as much as 7,000 ft. The peaks

reach over 11,000 ft. and are capped with ice. The walls of the mountains above 8,000 feet A.S.L. are in most cases bare, steep and inaccessible. In general, the valley floors are relatively well graded and are reasonably free of major slide areas up to the 8,000 foot contour.

The timber line is close to the 7,000 foot contour. Below this line there is ample timber for mining and camping purposes.

Red Line creek was supplying several hundred gallons of water per minute at the 8,000 foot elevation at the time of the writer's visit. There was still a good flow at 8,500 feet. Probably the amount of water here will diminish considerably during the winter months.

GEOLOGY:

(1) General Statement:

Underlying the area is grey limestone with grey to black argillite and white to green quartzite. This is the Upper Purcell, Mt. Nelson Formation of Proterozoic age. The most important rock for the localization of sulphides is the grey limestone.

(2) Structure:

Considerable faulting and folding can be seen on the claims. On the walls of the cirques these structures can be seen clearly. A combination of faulting and folding along a general north to northwest trend has resulted in many quick changes in formation over the mountain side. Both types of structure are on a large and small scale and probably both types of structure play an important part in the localization of the mineral deposits.

(3) Mineralized Showings:

Pyrite, arsenopyrite, galena, sphalerite and tetrahedrite mineralization is distributed over a wide area, but it was the writer's misfortune to find only float, incompletely exposed outcrop, and sloughed vein matter. The tunnels and trenches that once existed have caved or are under the snow at this time. The old dump piles are visible but the sulphide material has been picked out and shipped to the smelter. Conditions in the basin are such that, to reassess this prospect now, much of the past exploration work will have to be redone, at least the surface portion thereof. Very likely two or three weeks later in the season would make a great difference to the amount of snow in the area of the upper adits. However, there is sufficient exposure and float to show that the mineralization is present and that it has wide distribution northwesterly across the basin above and below the 9,000 foot elevation.

From research the writer finds there was at one time five different veins exposed. These are as follows:

- East Vein — 4 to 6 feet wide
- No. 1 Vein — 8 inches to 3 feet wide
- No. 2 Vein — 14 to 18 inches wide
- No. 3 Vein — 15 to 20 feet wide — dissemination
- No. 4 Vein — 14 to 20 feet wide — chiefly dissemination

Apparently the reporting engineer for the B. C. Report of the Minister of Mines for 1920 and 1922 saw the area as a large continuous zone containing high grade leads. His sampling of the better grade material ran as follows:

Year	Location	Au O/T	Ag O/T	Pb %	Zn %
1920	12" vein, surface	0.02	25.8	8.8	0.7
1920	Grab from ore sacks	0.02	74.1	44.7	1.0
1922	10" vein, upper tunnel	0.03	49.1	20.7	1.1
1922	2 foot vein, surface cut	0.04	23.1	21.3	0.8

The presence of disseminated ore, "mill feed", has been reported in the past and was seen by the writer but only the high grade material was developed.

DISCUSSION:

The Silver King showing has not been discussed with the Nip and Tuck because the writer plans to revisit the showing. On the first visit the surface lead was seen but the adit was not found. Mr. Frank Cooke plans to return to the Silver King, find the adit, and re-open it if necessary for examination. The writer plans to report on this prospect separately and at a later date.

From the writer's reading and from his traverse around the Red Line Creek basin he is reasonably sure that some attractive base metal deposits underlie the Nip and Tuck and Bill Groups, but they are no longer exposed to the extent that they were in 1920 and 1922.

The elevation of the exposures, 9000 feet, and the rough terrain between the exposures and the tree line are major factors when considering the exploration or development of this property. Probably these were largely responsible for the curtailment of previous operations.

CONCLUSIONS:

The claims are situated over a well mineralized zone in a glacial cirque at an elevation of 9,000 feet. The location imposes some difficulties. It is difficult to visualize an operation on an all year round basis for the winter snow will seriously handicap mining and transportation. A concentrator would have to be well away from the slides in the mine area. Many people cannot work in so high an altitude. These conditions will add appreciably to the operating costs and will have to be justified first by a substantial tonnage of good grade ore.

A feasibility study is necessary, weighing the ore potential against the initial and operating costs of a producing operation.

RECOMMENDATIONS:

Stage 1:

It is recommended that a detailed surface geological map be made of the mineralized zone with the chief object being to establish the factors controlling the localization of the sulphides. The old cuts will have to be re-opened to permit sampling of both the high grade and low grade portions.

The lowest adit should be surveyed and located with respect to the surface showings. This is the adit below the upper basin that was to be used as a safe production level. It may still be important to production, or as a site for an underground diamond drill program.

Concurrently, an estimate of the initial and operating cost should be made. Then, the data on hand at this point will be sufficient to determine the feasibility of a mining operation on the properties.

Stage 2:

If the feasibility report is encouraging a total of 4,000 feet of diamond drilling is recommended. These could be either 4,000 feet of drill from the surface in the upper basin or, 2,000 feet from the surface and 2,000 feet from underground. This program would be to prove or disprove the mineralization geologically inferred by the surface mapping and sampling.

COST OF THE RECOMMENDED WORK:

Stage 1: (Time — 6 weeks)

Camp and cooking supplies	\$	500.00	
Engineering and office		150.00	
Blasting powder, fuse and caps		150.00	
Packsack type drill rental, fuel and bits		500.00	
Assaying		750.00	
Mobilization to Horsethief Creek, 4 men and supplies		500.00	
Helicopter, mobilization and demobilization 12 hours at \$130.00/hr		1,560.00	
Food cost — 5 men x \$1.50 x 42 days		315.00	
Wages:			
Engineer	\$800.00/mo	\$1,200.00	
Helper	400.00/mo	600.00	
2 Miner-Drillers	500.00/mo	1,500.00	
Cook	500.00/mo	750.00	
		<u>4,050.00</u>	
Payroll and fringe benefits at 12%	495.00	4,545.00	
Demobilization from Horsethief Creek		500.00	
		<u>9,470.00</u>	
Contingencies at 10%		947.00	
		<u>10,417.00</u>	

Stage 2: (Time — 2 months)

Mobilization of drillers and equipment to Horsethief Creek	\$	1,000.00	
D-1 Helicopter 120 hrs. at \$80.00/hr.		9,600.00	
Ground transportation		800.00	
Engineering & camp supplies		1,400.00	
Assaying		500.00	
Rehabilitation of lower tunnel		2,000.00	
Food cost, 9 men x \$1.50 x 60 days		810.00	
Wages:			
Engineer	\$800.00/mo	\$1,600.00	
Helper	400.00/mo	800.00	
Cook	500.00/mo	1,000.00	
		<u>680.00</u>	
Payroll and fringe benefits, office 20%		4,080.00	
Direct charges on 4,000 ft. of diamond drilling at \$4.25/ft.		17,000.00	
Air costs on 2,000 ft. of drilling		3,000.00	
Fuel and drums on surface drill		600.00	
Diamond drill extras at 10%		1,700.00	
Hiller 12E Helicopter, 12 hrs. at \$130.00/hr.		1,560.00	
		<u>\$43,050.00</u>	

Total (Brought forward)	\$43,050.00
Contingencies at 10%	4,305.00
	<u>47,355.00</u>
Grand total	
Total estimates	\$57,772.00
	<u>\$58,000.00</u>

Respectfully submitted,
JOS. SULLIVAN, P.Eng.

REFERENCES

- Ressor, A.E., Geological Survey of Canada, Preliminary Map Sheet 12, 1957.
- Report of the Minister of Mines, B. C., years 1902, 1906, 1915, 1916, 1920, 1922.
- Kerbuish, T. H., resident Manager, Property Report, October 2, 1922.

CERTIFICATION

1, Joseph Sullivan,
2766 West 30th Avenue,
Vancouver 8, B. C.

certify as follows:

- I graduated from the University of British Columbia in 1951 with a degree of Bachelor of Science in Geology. I am a registered Professional Engineer of British Columbia. I have practised my profession for 14 years.
- This report is based on a one-day examination of the property, a study of the geological mapping of Dr. J. T. Reesor, Geological Survey of Canada, 1957, plus a study of the information published in the Reports of the Minister of Mines, B. C.
- I have no interest, direct or indirect in this property.

JOS. SULLIVAN, P.Eng.

Vancouver, B. C.
August 1, 1965

JOSEPH SULLIVAN, P.Eng.
November 18th, 1965

REPORT ON
THE REX ASBESTOS PROSPECT
HAINES JUNCTION, Y.T.

Lat. 60° 45' Long. 137° 18'

INTRODUCTION:

On August 24, 1958, the writer visited the "Rex" asbestos showing and spent 3½ hours on the claims in the area of the discovery. Later that year "Canex Aerial Surveys Ltd." did some surface trenching and magnetometer surveying that enhanced the possibilities of the prospect.

In 1963 this property was under option to Consolidated Mining & Smelting Co. Ltd., at which time five short diamond drill holes were drilled.

This report is a compilation of information from the writer's visit and the work of the two above mentioned companies.

LOCATION AND ACCESS:

The showings are easily accessible with a truck during the summer months. A winding road leaves the Haines Highway to the northeast a few hundred feet southeast of the Mile 152. This road ends eight miles away at the showings.

The elevation at the deposit is 2,700 feet, with a maximum relief of 300 feet.

PROPERTY AND OWNERSHIP:

The property consists of 13 located claims:

- Rex 1 to 8 inclusive
- Gina 3, 5 and 7
- Bestos 1 and 2

These are in good standing until October, 1966.

The recorded owners of the group are:

- W. Abraham, Whitehorse, Y.T.
- J. Noble, Haines Junction, Y.T.
- H. C. Fromme, Whitehorse, Y.T.
- Per Johnson, Whitehorse, Y.T.

At this time Golden Gate Explorations Ltd. (N.P.L.) has an Option Agreement on these claims held in trust with the Commonwealth Trust Company, Vancouver, British Columbia.

GENERAL GEOLOGY:

There are two prominent groups of sedimentary rocks in the area. The Dezadeash Group on the west, composed of conglomerates, sandstones, shales, and argillaceous types, of lower Cretaceous age. The Yukon Group to the east is composed of an altered series of grits and quartzites.

The major structural feature in the area is the Shakuak fault. This major fault lies along the west side of the Shakuak valley and forms the contact between the lower Cretaceous and the pre-Cambrian series. Subsidiary faults are numerous in the valley.

Intrusives within the Dezadeash are ultrabasic, peridotite, dunite, and gabbro. Small stocks of the Coast Range granodiorite are also present. The asbestos fiber is found in the peridotite near the contact of the ultrabasics and a greenstone schist of the Yukon Group. The contact is buried as is most of the outcrop area in the vicinity of the showings.

Some 1,500 feet west of the showings a segregation of dunites outcrops along a low ridge. Slip-fiber and amphibole asbestos are found near the margin of the dunite.

MINERALIZATION:

The asbestos occurs as cross fiber within peridotite intrusive. Magnetite is common and occurs along fracture boundaries and as a replacement of the fiber. The magnetite and serpentine has localized along several narrow cross curring fractures. At the time of the writer's visit he estimated that approximately six percent of the peridotite was serpentinized, half of which was in the chrysotile form.

SUMMARY OF WORK BY CANEX AERIAL SURVEY:

A dip needle survey outlined a northeasterly trending magnetic anomaly 1,800 feet long and 400 feet wide. Subsequent trenching proved the anomaly was due to the presence of magnetite intimately associated with the asbestos fiber. Magnetite occurs as thin lenses or layers along the ends of the cross fiber parallel to the fractures. Ten bulldozer trenches were completed across the anomaly.

The depth of overburden varied from two feet to in excess of 25 feet. Five trenches exposed bedrock, remainder were abandoned when the depth became excessive.

Good chrysotile asbestos was exposed over an area 700 feet long and 75 feet wide. Deeper trenching was necessary to penetrate the weathered rock surface and permit accurate measurement of the fibre content. Unfortunately winter set in before a valuation of all the known rock exposures could be made.

Where accurate measurement was possible the contained fiber ranged 1.2 to 3.3 percent. A visual estimate of the quality indicated 25 percent grade 2 crude, 50 percent grade 3 fiber ($\frac{3}{8}$ " - $\frac{1}{8}$ " in length) and the balance of fiber is $\frac{1}{16}$ to $\frac{1}{8}$ inch.

(The report continues on, relating this deposit to the well known asbestos mine at Thetford, Ontario).

More work in the form of trenching and/or diamond drilling was recommended to continue delimiting the deposit, and further recommended as a good asbestos prospect.

SUMMARY OF WORK BY CONSOLIDATED
MINING & SMELTING COMPANY LTD.:

During the 1963 field season C.M. & S. established at least three magnetic profiles across the known asbestos outcrops. The survey was followed by drilling five holes, Nos. R1-5. The work was done on the Gina 3 and 5, and the Rex 1 and 2; roughly the same area was worked on by "Canex".

R-1, the most successful hole, intersected a chrysotile zone ranging from trace to \$18.00 per ton across a horizontal width much greater than 100 feet. The other holes were either lost in the overburden or barely penetrated the bedrock. Probably the most useful piece of information recorded is that the overburden can be as deep as 200 feet.

The drilling may be considered a series of short test holes not laid out systematically and with no plan for extracting information lower than 160 feet below the surface.

CONCLUSIONS:

The mine possibilities for this prospect have improved since the writer's visit in 1958 but, so far, there has not been sufficient surface work done to prove or disprove the deposit at the surface. Nor has there been sufficient probing designed to explore for changes in alteration and grade down dip from the surface trenching. None of the values uncovered from the work could be classed as discouraging. The deposit still remains a good prospect.

However, the depths of gravels that overlie parts of the mineralized zone do present a problem. Very likely more trenches by bulldozing would give inconclusive results. Therefore, further exploration should be done by a diamond drill program designed to handle up to 200 feet of overburden if necessary.

RECOMMENDATIONS:

- (1) Re-establish, on the ground, the magnetic anomaly boundaries with a dip needle survey to be used as a diamond drill target.
- (2) Employ a bulldozer to clear the road and drill sites.
- (3) Drill six east-west sections at 200 foot intervals. That would be two 500 foot holes on each section for a total of 6,000 feet of drilling.
- (4) Prepare a surface plan and sections for recording surface and drilling data.

COST SUMMARY OF THE RECOMMENDED PROGRAM:

Because of the mud conditions experienced on the road during early Spring, the suggested time for work on this project is from June 15th to September 15th.

The cost for such a program may be summarized as follows: (a summary type estimate includes contingencies in the rounded figures).

Bulldozing, 50 hours at \$20.00/hr.	\$ 1,000.00
Mapping and sampling	2,500.00
Geophysics	500.00
Diamond drilling:	
To include camp cost and local transportation	
\$9.00/ft. — 6,000 ft at \$9.00/ft.	54,000.00
Mobilization and demobilization	5,000.00
Drafting, supervision, and additional travel	3,500.00
 Total estimate	 <u>\$65,500.00</u>
 Say	 <u>\$66,000.00</u>

Respectfully,
JOSEPH SULLIVAN, P.Eng.

CERTIFICATION:

I, Joseph Sullivan, certify as follows:

- 1. My occupation and address are:
Geological Engineer
2766 West 30th Avenue
Vancouver 8, B. C.

- 2. My qualifications are:
B.A., Sc. University of British Columbia. Registered Professional Engineer of British Columbia. I have practiced my profession for 14 years.
- 3. I have no interest, direct or indirect, in the properties of Golden Gate Explorations Ltd. (N.P.L.)
- 4. This report is the result of a preliminary examination of the property in 1958 and study of the more recent development by Canex Aerial Surveys Ltd., and Consolidated Mining & Smelting Co. Ltd.

DATED at Vancouver, British Columbia, this 22nd day of November A.D., 1965.

JOSEPH SULLIVAN, P.Eng.

