REPORT FILED UNDER: First Yukon Silver Resources Inc.

DATE PERFORMED: 1 June to 10 August, 1988
DATE FILED: 9 Dec., 1988

LOCATION: LAT.: 60°10'N
LONG.: 130°15'W

AREA: Spencer Creek

VALUE $: 22,300.00

CLAIM NAME & NO.: LEE 1-28, 29-56 YA99401-28, YB00881-922; RED 1-12, 13-20, 21-34 YB00540
=51, 76-83, 1846-59; ODEL 1-36 YB00590-625; HI 1, 3-28 YB00499-525; JIM 1-6, 7-28
YB00584-9, 839-58; ED 1-14 YB00526-39; ADD 1-42 YB00881-922

WORK DONE BY: D. Schellenberg

WORK DONE FOR: First Yukon Silver Resources Inc.

DATE TO GOOD STANDING: REMARKS: #11 KUBIAK Soil samples were analyzed sub-quantita-

ively for zinc using a dithizone test and outlined seven large
and several smaller, moderate to strong anomalies. Northeast

trends indicate associated vein attitudes.
Report On

Total Heavy Metals Geochemical Survey
Watson Lake Mining District, 105 B-1

On Behalf of
First Yukon Silver Resources Inc.

by
D. Schellenberg, B.Sc.
November 20, 1988

Claims

Name:
Lee 1-56
Add 1-42
Red 1-34
Odie 1-36
Hi 1-36
Jim 1-28
Ed 1-14

Location:
60 10' North, 130 15' West

Dates:
June 1 to August 10, 1988

092629
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(in pocket)

1. T.H.M. Survey Lee Claims
2. T.H.M. Survey Add Claims
3. T.H.M. Survey Red Claims
4. T.H.M. Survey Odie Claims
5. T.H.M. Survey Hi Claims
6. T.H.M. Survey Jim Claims
7. T.H.M. Survey Ed Claims
8. T.H.M. Survey Claim Map
**List of Claims**

<table>
<thead>
<tr>
<th>Name</th>
<th>Tag Number</th>
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<tbody>
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<td>Lee 1-28</td>
<td>YA99401 - YA99428</td>
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<td>Lee 29-56</td>
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<td>Hi 3-28</td>
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<td>Ed 1-14</td>
<td>YB00526 - YB00539</td>
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Owner: First Yukon Silver Resources Inc.

#2601 - 1177 West Hastings Street
Vancouver, British Columbia V6E 2K3

Work Performed For: First Yukon Silver Resources Inc.
Introduction

The areas to the north and west of the survey are noteworthy for the large number of Pb, Zn and Ag veins discovered by prospectors in the well-exposed ground above tree line. The purpose of this survey was to test the potential of the poorly exposed areas below tree line which have seen little or no prospecting.
Geology

The survey area is underlain by Lower Palaeozoic sediments of the Cassiar Platform with Cambrian carbonates predominate in outcrop. The Cretaceous Cassiar Batholith borders the survey area to the west and a small stock outcrops near the northern boundary.

Current theories on mineralization in the area suggest that the numerous Pb, Zn and Ag occurrences are related to late Cretaceous and/or Early Tertiary movement on large scale transcurrent faults and associated secondary faulting.
Method

Field Method

Samples were collected every 150 feet following claims lines at a spacing of 750 feet. The sampling depth was approximately 6 inches.

Method of Analysis

1. Scoop 0.2 gm of sample into a test tube.
2. Add 5 ml. of zinc buffer solution.
3. Add 2 ml. of dithizone test solution (0.001%)
4. Cap the tube and shake for 1 minute. Allow the dithizone layer to separate.
5. A colour in the upper layer will be developed between green and purple.

<table>
<thead>
<tr>
<th>Colour</th>
<th>Zinc content of Sample</th>
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<tr>
<td>Green</td>
<td>nil</td>
</tr>
<tr>
<td>Blue-Green</td>
<td>weak</td>
</tr>
<tr>
<td>Blue</td>
<td>weak</td>
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<tr>
<td>Pink</td>
<td>weak</td>
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<tr>
<td>Red</td>
<td>moderate</td>
</tr>
<tr>
<td>Purple</td>
<td>strong</td>
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</table>
5. Interpretation (Map 8)

Lee claims:

Area 1  Many small veins are exposed in the upslope N.W. corner of this anomaly.

Area 2  The shape of this anomaly suggest a relationship to the N.E. striking faults hosting many of the veins in the area.

Area 3  This anomaly corresponds well to the strike extension of a vein exposed on the Jack claims.

Area 4  This very strong anomaly corresponds to an area where disseminated galena and sphalerite in limestone were found in outcrop and float.

Add Claims:

Area 1  A moderate strength anomaly possibly related to a N.E. trending structure.

Red Claims:

Area 1  This is the largest anomalous area within the survey area. Topography suggests that this is two anomalies joined by downslope migration from the north and south.

Odie Claims:

Area 1  Topography here again suggests more than one source. The eastern boundary parallels a drainage suggesting a structural N.E. control.
Recommendations

1. Anomalous samples from this survey should be assayed, preferably with a 30 element I.C.P. analysis.

2. Anomalous Pb and Zn samples should be plotted to give a better definition of possible Pb, Zn and Ag veins.

3. Areas with high Pb and Ag values should be covered with a closely spaced geochemical grid.

4. Resulting anomalies should be prospected and trenched.
Conclusions

The current survey was successful in outlining several areas of high zinc concentration in soils. Further work will depend on the results of quantitative assays of anomalous samples.
Cost Statement

Transportation:
- Truck, 4x4 rental and fuel for 70 days: $3100
- A.T.V. rental: 500

Wages:
- **Samplers**
  - George Frank: 5718
  - Pat Ball: 1300
  - Skip Melanchuk: 2580
  - Jean Legare: 3000
- **T.H.M. Analysis**
  - Hardy Hibbing: 5460

Camp Set Up: 1400

Food: 1884

Report Preparation: 1500

**TOTAL**: $26,442
Certificate

I, Douglas Schellenberg, with a business address of Suite 2601, 1177 West Hastings Street, Vancouver, British Columbia, do hereby certify that:

1) I am a consulting geologist;

2) I am a graduate of the Colorado School of Mines and obtained a Bachelor of Science degree in Geological Engineering in 1973;

3) I have supervised the sampling for this survey;

4) I am the President, Director and a shareholder of First Yukon Silver Resources Inc.

Respectfully submitted,

D. Schellenberg, B.Sc.
November 20, 1988