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105 G 8 PROSPECTUS
CONFIDENTIAL X
OPEN FILE

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MINING DISTRICT: Watson Lake
TYPE OF WORK: Geological

REPORT FILED UNDER: J.S. Dodge

DATE PERFORMED: August 5-8, 1989

DATE FILED: October 10, 1989

LOCATION: LAT.: 61o 17'N

AREA: Money Creek

LONG.: 130o24'W

VALUE \$: 1200.00

CLAIM NAME & NO.: LADY LEE 1-6 YB 14908-913

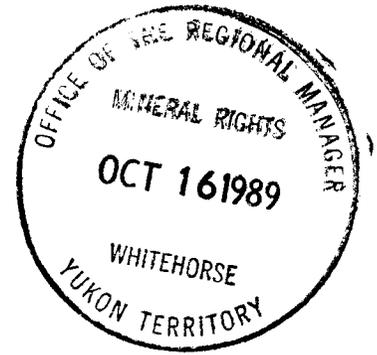
WORK DONE BY: J.S. DODGE

WORK DONE FOR: J.S. DODGE

DATE TO GOOD STANDING:

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REMARKS:#80 LADY LEE Three serpentinite bodies occur at the base of amphibolite of the Anvil Allocthon immediately above it's (thrust? boundary with the Klondike schist of the Nisutlin Allocthon. Nephrite (jade) of possible carving quality occurs at the margin of serpentinite adjacent to talc-carbonate-quartz alteration zones.



GEOLOGICAL REPORT
LADY LEE #1-6 QUARTZ CLAIMS

CLAIM SHEET 105-G-08
61° 17' N; 130° 24' W

092753
JAMES S. DODGE, P.ENG.
05-08 AUGUST, 1989

092753



This report has been obtained by
the Geological Evaluation Unit
under Section 53 of the Yukon Quartz
Mining Act and is allowed as
representation work in the amount
of \$ 1200.00

for *R. D. Emery*
Regional Manager, Exploration and
Development, Yukon Commissioner
of Lands and Minerals.

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SUMMARY

Following reconnaissance traverses over the entire six LADY LEE claims, detailed geological mapping was conducted on three nephritic serpentinite masses on LADY LEE #1, #2, and #4 claims situated southwest of the headwaters of Money Creek approximately 40 kilometers southwest of Finlayson Lake, Yukon.

All three serpentinites are stratigraphically situated at the base of the amphibolite member within the Anvil allochthon immediately above its tectonic (thrust ?) boundary with the Klondike quartz-muscovite schist of the Nisutlin allochthon.

Nephritization of the serpentinite occurs adjacent to, and less commonly within, reaction zones composed of talc-calcite-quartz developed within the serpentinite at its contact with both amphibolite and quartz-muscovite schist. Several in-situ sites exposing nephrite of possible carving quality were noted.

Recommendations are made to conduct detailed prospecting and to carry out quality determinations of nephrite talus boulders and outcrops by diamond core sample drilling, diamond saw slabbing, and on-site polishing.

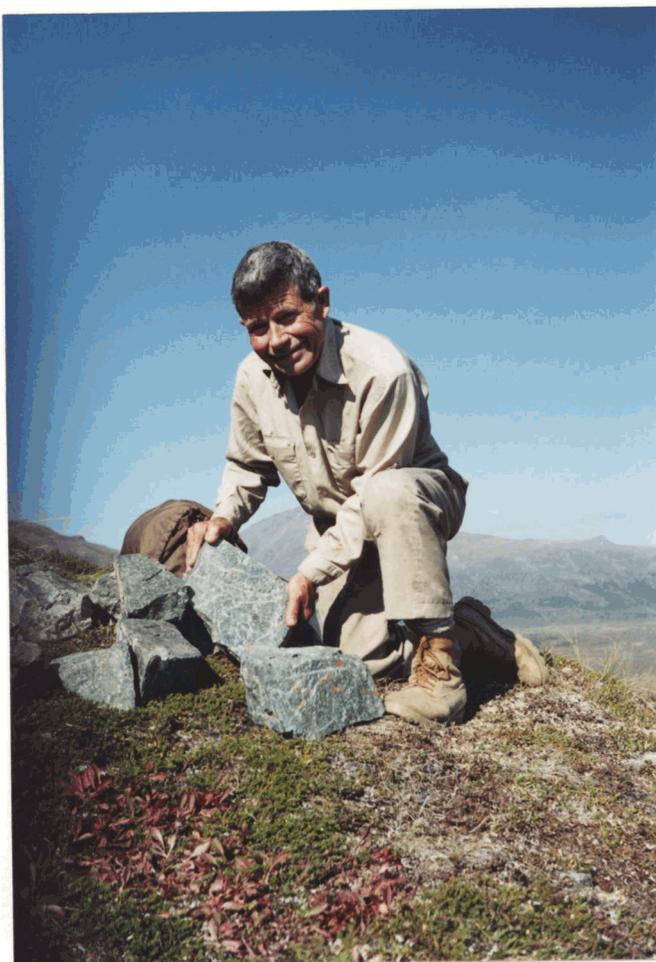


PHOTO No. 1 The author displaying nephrite blocks obtained from talus on the LADY LEE #2 claim

INTRODUCTION

This assessment report describes the collection and interpretation of geological data on the LADY LEE #1, #2, and #4 claims during 3½ days of field work and one day of report preparation during 05-08 August and 02 October, 1989. The claims were staked by Mr. James Dodge in 1988 following his discovery of nephrite during prospecting under the Yukon Prospectors Assistance Program.

CLAIM OWNERSHIP

| <u>Claim Name</u> | <u>Grant Number</u> | <u>Located By</u> | <u>Claim Sheet</u> | <u>Date</u> |
|-------------------|---------------------|-------------------|--------------------|----------------|
| LADY LEE #1 | YB 14908 | James S. Dodge | 105-G-08 | 08 August 1988 |
| LADY LEE #2 | YB 14909 | James S. Dodge | 105-G-08 | 08 August 1988 |
| LADY LEE #3 | YB 14910 | James S. Dodge | 105-G-08 | 08 August 1988 |
| LADY LEE #4 | YB 14911 | James S. Dodge | 105-G-08 | 08 August 1988 |
| LADY LEE #5 | YB 14912 | James S. Dodge | 105-G-08 | 08 August 1988 |
| LADY LEE #6 | YB 14913 | James S. Dodge | 105-G-08 | 08 August 1988 |

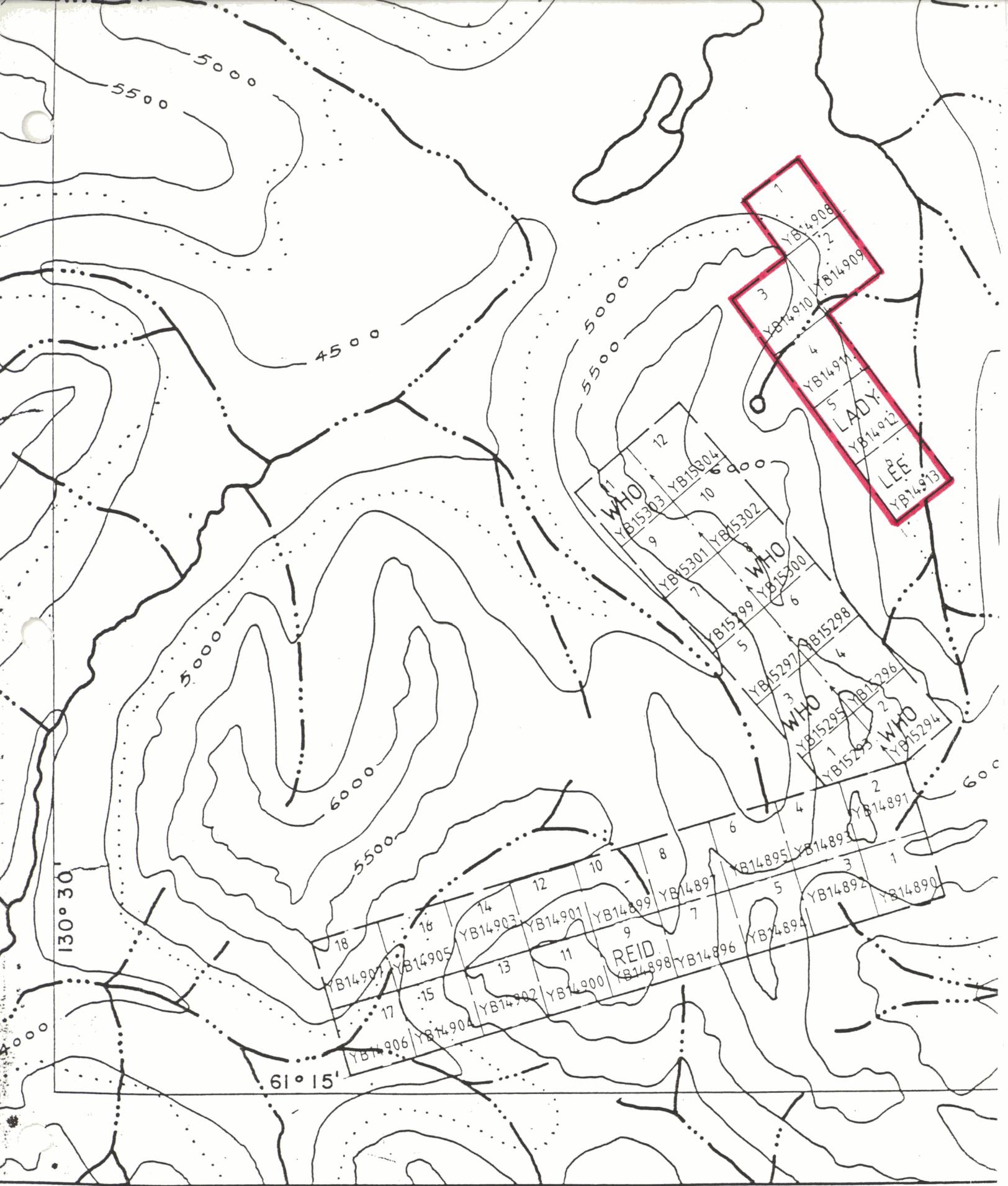
On 13 April, 1989 100% interest in each of the six LADY LEE full-sized Quartz claims was transferred by Mr. Dodge to DODGEX Led., a Yukon private corporation, under Quartz Regulation Document No. RWO6835. The claims were grouped for assessment work under Group No. WAO4911.

CLAIMS LOCATION AND ACCESS

The LADY LEE group of six Quartz claims is located on claim sheet 105-G-08 in southeastern Yukon (Map I) near the headwaters of Money Creek, a southeast flowing tributary of Finlayson River. The claims are approximately 40 kilometers west of the Campbell Highway (where it passes Finlayson Lake) and are centered at 61°17'N latitude and 130°24' W longitude.

The claims cover steep mountainous terrane ranging in altitude from 1440 meters for low areas on LADY LEE #3, #4, #5, and #6 up to 1780 meters for LADY LEE #1 and #2. Virtually all the claims area lies above timberline (Photos 2 and 3).

Access to the claims is by short-takeoff float plane at a cleaver-shaped lake on the broad drainage divide between Money Creek and a stream flowing west to the north end of Fire Lake some 10 kilometers distant. The lake is at an altitude of 1380 meters and is approximately 1.2 kilometers from Posts No. 1 of the LADY LEE #1 and #2 claims situated at 1680 meters. There are no trees at the west end of the lake to obstruct plane takeoffs (Photo 4).



GEOLOGICAL SURVEY

Detailed geological mapping of three in-situ occurrences of nephritic serpentinite was carried out during August, 1989 as a follow up to discoveries made by Mr. James Dodge during ground prospecting of the area from a campsite on the small lake at the head of Money Creek during July-August, 1988 under the Yukon Prospectors Assistance Program.

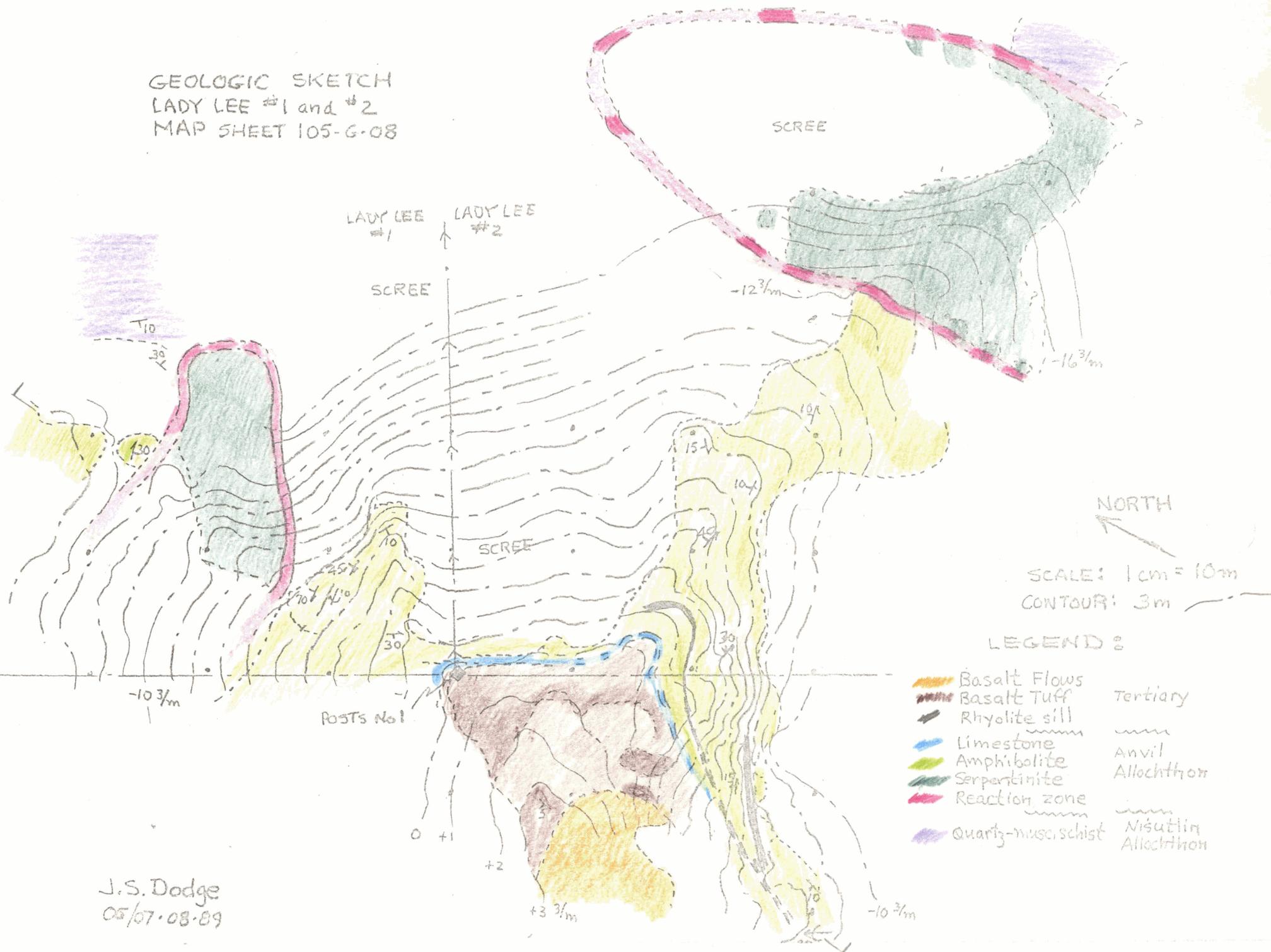
In each of the three sites a survey squared grid was laid out by brunton compass establishing control points every 25 meters. A topoline hip chain was used in distance measuring with proper allowances for the steep slopes many of which ranged up to 35° inclinations. Elevations between stations were determined by brunton levelling to prepare a contoured map.

Mapable geologic units in the project area included from oldest to youngest: Klondike quartz-muscovite schist of Nisutlin allochthon overlain by amphibolite, serpentinite and limestone of the Anvil allochthon (Photo 5). In turn, Tertiary rhyolite sills intrude the amphibolite. Tertiary basalt tuffs and flows cap the allochthonous sheets. In addition, distinct metasomatic reaction zones of talc-calcite-quartz at the contact boundaries of the serpentinite were mapped separately (Photos 6 and 7).

As illustrated in the cross-section of the serpentinite on LADY LEE #1, the underlying Klondike schist presents a gently southwesterly inclined flaser fabric which is in marked contrast to the immediately overlying package of tectonized amphibolite-serpentinite.

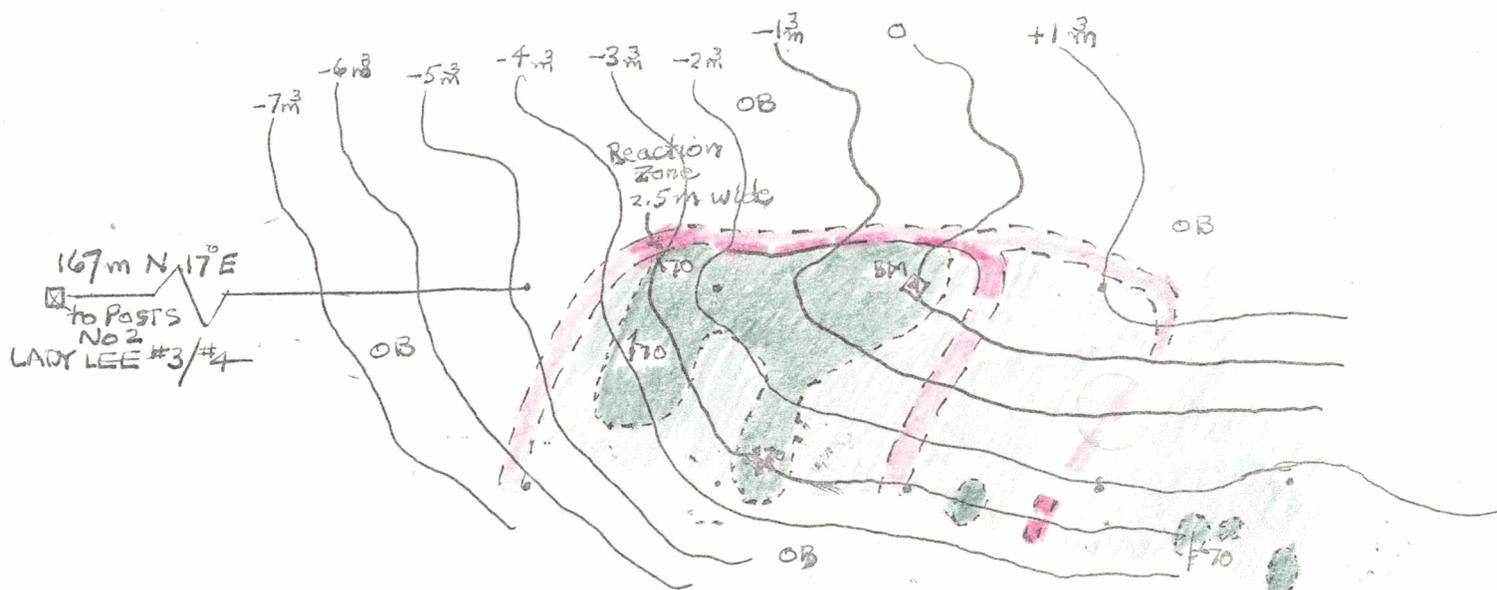
The reaction zones formed along the perimeter of serpentinite, at both its contact with amphibolite and the schist, are sites of nephritization (Photo 8). The tecto-chemical environment causing these zones, and thereby an essential reaction for the development of nephrite nearby - sometimes within the zone - is best explained by Mr. Robert G. Coleman who, in 1966, described it as metasomatic alteration, "whereby calcium is released to combine with migrating silica from the country rocks forming tremolite along the contact." Intense nephritization on the claims was noted only in the immediate (up to 8 meters) vicinity of these reaction zones.

GEOLOGIC SKETCH
 LADY LEE #1 and #2
 MAP SHEET 105-G-08



J.S. Dodge
 05/07-08-89

GEOLOGIC SKETCH
 LADY LEE CLAIM #4
 MAP SHEET 105.6.08



167m N 17° E
 to PASTS
 No 2
 LADY LEE #3/#4

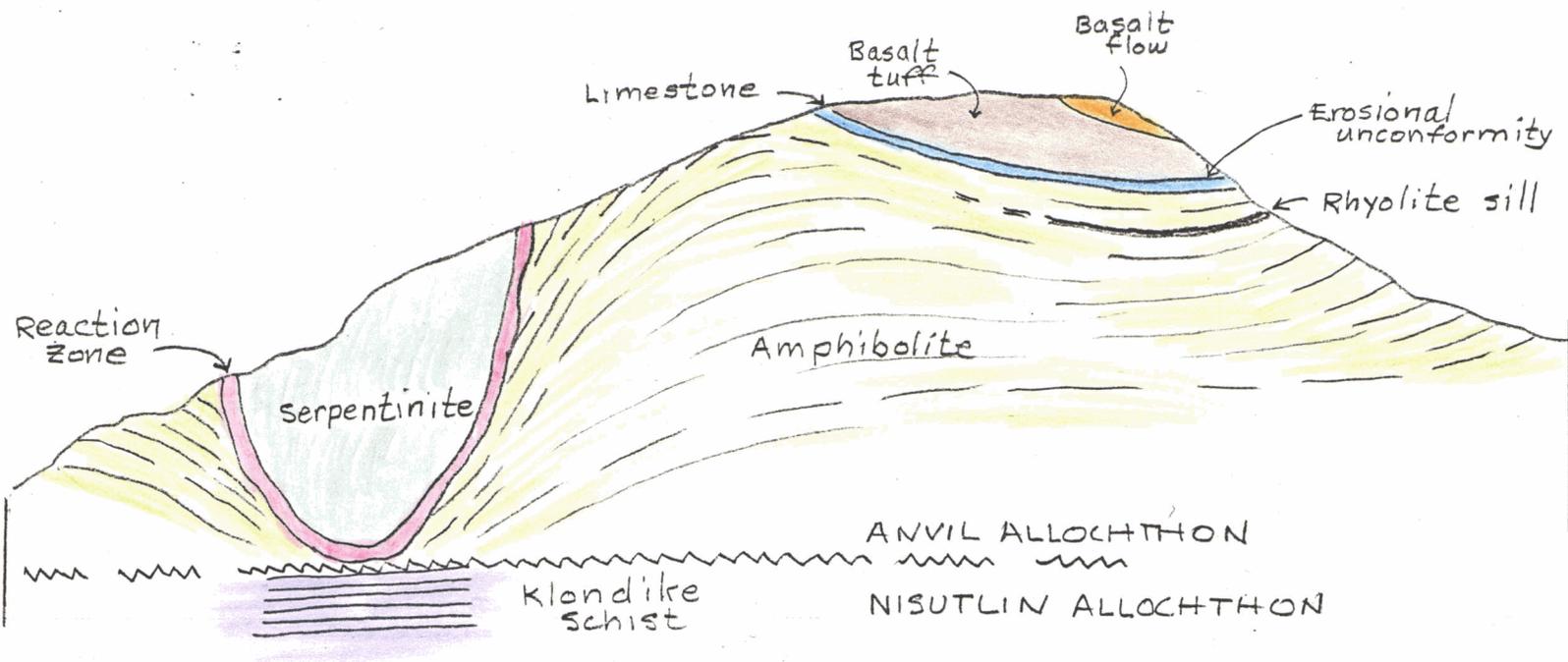
NORTH

SCALE:
 1cm = 10m
 CONTOUR INTERVAL
 3 meters

LEGEND :

- Contours
- Talc-calcite-quartz reaction zones
- Serpentinite bedrock limits
- Survey grid points
- BM - Survey base stations
- OB - Bedrock concealed by overburden

08.08.89
 J.S. Dodge



VERTICAL CROSS-SECTION
 LADY LEE #1/#2
 LOOKING EAST

SCALE: (HORIZ. & VERT.)
 1 cm = 10 m

J.S. Dodge
 08-08-89

CONCLUSIONS

Intense in-situ nephritization was observed in three areas on the LADY LEE claims, as a result of detailed geological mapping.

Several sites exposed what appeared to be commercial nephrite (jade) of carving quality, although on the outcrops numerous fractures were noted in most material. At some sites talc and opaque minerals may significantly lower the value of the nephrite for traditional uses.

The development of reaction zones appears to be essential in the nephritization process.

RECOMMENDATIONS

1. An evaluation of the commercial potential for production of nephrite (jad) should be undertaken in the immediate areas of reaction zones in serpentinite.
2. Testing of quality of talus boulders and outcrops of nephrite can best be undertaken initially by sampling using both a gasoline powered diamond slabbing saw and a diamond coring drill.
3. Samples thus obtained should be polished to at least the 600-grit range at the campsite in order to fully evaluate variations in color, texture, tightness of fractures, content of opaque minerals and hardness. Thereby, the specific sites having highest commercial potential will be pinpointed.
4. Results of the sampling program would indicate the potential for commercial production of nephrite suitable for carving and/or for tile and wall facings.

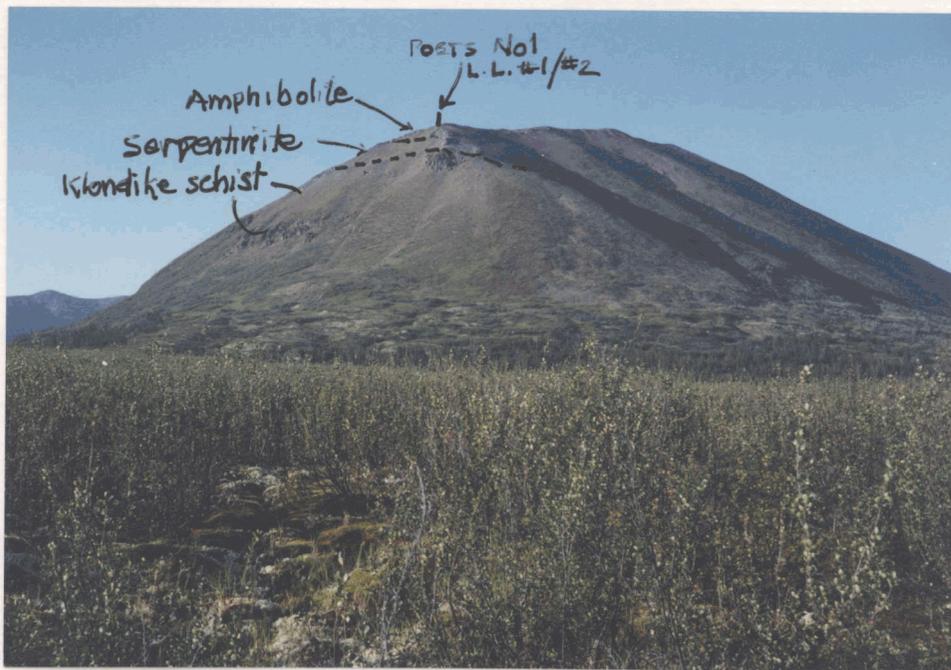


PHOTO 2 View of northeastern end of mountain covered by LADY LEE #1 and #2 claims. Klondike schist forms prominent cliffs below serpentinite of Anvil allochthon



PHOTO 3 Posts No. 1 of LADY LEE #3/#4 looking north toward grey-weathering outcrops of serpentinite in middle distance.



PHOTO 4 Looking south over Cleaver Lake. Gently west-dipping erosional indentations mark structural boundaries between Klondike schist (lowest), serpentinite and amphibolite (middle), and Tertiary volcanic flows (ridge crest).



PHOTO 5 Looking west on LADY LEE #2 at cliffs exposing north-dipping amphibolite capped by thin bed of limestone. Two rhyolite sills intrude the amphibolite.



PHOTO 6 View northwest on LADY LEE #2. Cream colored reaction zone at top of serpentinite is overlain by amphibolite.



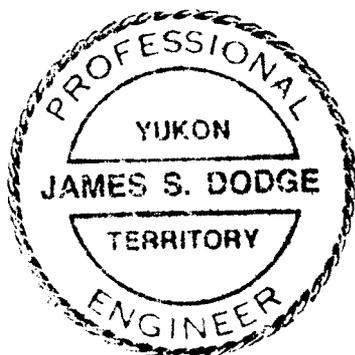
PHOTO 7 Looking west on LADY LEE #4. Cream colored reaction zone is overlain by talus from white-weathering serpentinite on ridge.



PHOTO 8 Nephritic serpentinite outcrop near the prominent reaction zone on LADY LEE #4.

VALUE OF 1989 GEOLOGICAL SURVEY ON LADY LEE CLAIMS

| | | | |
|------------------------------|--|----|--------------|
| Camp Supplies | 1 man for 3½ days @ \$15/day | \$ | 52.50 |
| Transportation | No Charge - since vehicle and air charter were covered by expenditures under P.A.P. earmarked for further prospecting in the district later. | | NC |
| Geological Services | James S. Dodge, P.Eng., Yukon 3½ days geological mapping and 1 day of report preparation: Total of 4½ days @ \$300/day | | 1,350.00 |
| Office Supplies | Report binders, photos, xerox | | <u>28.50</u> |
| TOTAL EXPENDITURES | | \$ | 1,431.00 |



James S. Dodge
James S. Dodge, P.Eng.

Whitehorse, Yukon
03 October, 1989

STATEMENT OF QUALIFICATIONS

I, James S. Dodge, of 14 MacDonald Road, Whitehorse, Yukon submit the following information which establishes some of my qualifications bearing on the necessary level of competence required to carry out the field work and preparation of this report qualifying for assessment work credit on the LADY LEE claims;

Education

Missouri School of Mines, B.S. Mining Engineering, 1941
Princeton University, Field Geology, 1940
Stanford University, M.S., Economic Geology, 1951
Albert Ludwigs Universitaet (Germany), Economic Geology, 1952

Experience

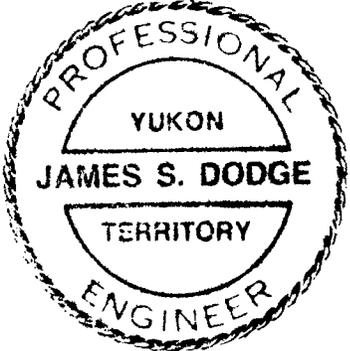
Active in mineral industry since 1941 in North and South America, Asia and Africa as prospector, company geologist, mining engineer, mine operator, and consultant in ferrous and non-ferrous metals and in industrial minerals. Among the many organizations with which I have been associated as an employee or consultant:

Anaconda, Esso, Mitsui, USAEC, Ventures, DIAND, SCAP-Japan, Atlas, Glidden, Spartan/Nuspar, Hirst-Chichagof, Floyd Odlum, Yukon Barite, Standard Silver, Ocean Gold

Experience on several nephrite deposits gained in California and Oregon during examinations of chromite deposits in the ophiolitic terrane in 1987. Inspected nephrite occurrences at Jade Cove and Plaskett Creek area on California coast in 1987.

Professional Affiliations

Registered Professional Engineer (No. 311) by Association of Professional Engineers of the Yukon Territory
Member of Society of Economic Geologists
Member of American Institute of Mining Engineers.



James S. Dodge
James S. Dodge, P.Eng.