MAP NO.: ASSESSMENT REPORT X DOCUMENT NO.: 092899
PROSPECTUS MINING DISTRICT: WATSON LAKE
CONFIDENTIAL TYPE OF WORK: GEOLOGICAL
OPEN FILE

REPORT FILED UNDER: NORTHERN HORIZONS RESOURCE CORPORATION


LOCATION: LAT.: 61°35'N AREA: SEAGULL CREEK
LONG.: 132°40'W

CLAIM NAME & NO.: MAT 1-16, 23-45, 50-64
SUN 1-16, DM 1-12, JD 1-24
GRAY 1-24, GULL 1-8, 13, 14
JDX 1-24

WORK DONE BY: STEVEN LIGHTBURN

WORK DONE FOR: NORTHERN HORIZON RESOURCE CORP.

DATE TO GOOD STANDING:

REMARKS: A mineralized zone 60 feet long, 30 feet high, 15 feet wide exposed in trenching. 20 foot channel sample returned 13.4 opt Ag, .56 % Cu, 17.9% Pb, and 0.42% Zn. 1981 work increased the length to 120 and width to 50 feet. Sulphides appear related to syenite intrusions. This report contains very little information of value.
GEOLOGICAL REPORT

ON THE
MAT 1-16, MAT 28-45, MAT 50-64
SUN 1-16 AND DM 1-12 CLAIMS
JD 1-12  JD 13-24
GRAY 1-24, GULL 1-8 - GULL 13, 14,
JDX 1-24

Longitude 132°40'W  Latitude 61°35'N
WATSON LAKE MINING DISTRICT
YUKON TERRITORY
NTS 105 F-10

January, 1982

Steven Lightburn
HISTORY RESULTS

The property consists of 100 full-sized claims, owned by Marvin Sherman, 23 claims owned by Nithex Exploration and 24 claims owned by Northern Horizon Resource Corporation. The 123 claims are held under Option to Purchase by Northern Horizon Resource Corporation. The property is located twenty-eight miles south of Ross River in the Pelly Mountains.

The claim area is underlain by late Paleozoic phyllites after intermediate pyroclastic volcanoclastic and sedimentary rocks.

Over the years substantial amounts of angular mineralized float consisting of lead, zinc and silver has been discovered on the claims by Marvin Sherman. In late October, 1979, Sherman uncovered extensive high grade silver, lead, zinc ore on the Mat #4 claim by bulldozer trenching. Chip sampling by Noranda indicated a grade of 35.65 oz silver and 16.46 lead across 10 feet.

In 1980, Larry Nicoll, consultant to Northern Horizon, trenched the Mat #4 showing. A mineralized zone 60 feet long, 30 feet high and in excess of 15 feet wide was evident.

A 20 foot channel sample across the zone graded 13.4 oz silver, .56% copper, 17.9% lead and .42% zinc. In the summer of 1981 Steve Lightburn trenched the showing for 500 feet in length, a maximum of 40 feet deep and 50 feet wide.

The grade did not appear to be any different than the zone assayed by Larry Nicoll. Only one assay was taken from a
pyrite sample in the fault zone and that sample did not appear to have any mineralization.

It was surprising to learn that the sample assayed as follows:

<table>
<thead>
<tr>
<th></th>
<th>oz/ton</th>
<th>oz/ton</th>
<th>%</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold</td>
<td>0.020</td>
<td>9.05</td>
<td>7.50</td>
<td>0.03</td>
</tr>
</tbody>
</table>

The length of the mineralization was increased to 120 feet and 50 feet wide. Four geochem samples were taken along 500 feet of the structure. These samples graded as follows:

<table>
<thead>
<tr>
<th></th>
<th>Ag</th>
<th>Cu</th>
<th>Pb</th>
<th>Zn</th>
</tr>
</thead>
<tbody>
<tr>
<td>ppm</td>
<td>ppm</td>
<td>ppm</td>
<td>ppm</td>
<td>ppm</td>
</tr>
<tr>
<td>301</td>
<td>0.6</td>
<td>8</td>
<td>93</td>
<td>704</td>
</tr>
<tr>
<td>302</td>
<td>0.8</td>
<td>24</td>
<td>136</td>
<td>1068</td>
</tr>
<tr>
<td>303</td>
<td>0.6</td>
<td>12</td>
<td>88</td>
<td>340</td>
</tr>
<tr>
<td>304</td>
<td>1.1</td>
<td>18</td>
<td>109</td>
<td>269</td>
</tr>
</tbody>
</table>

The results are clearly anomalous and suggest the possibility of continuation of the mineralization along the 500 feet trenched depth. The structure in which the mineralization occurs has a length of 3200 feet.

ORE OCCURRENCES

The property lies in a silver-lead zinc province with economic minerals within calcareous rocks. Sulphide genesis appears to be related to syenite intrusives, of which two are known to exist on or nearby the property. The mineralization on the Canol properties to the north of Northern Horizon's claims occurs in fracture fillings, breccia and shear zones. The source of the mineralizing
fluids appear to have been from a third syenite stock. Foliation in folds around the periphery of the stock also seems to play a major role in localizing ore. On the Horizon properties normal and thrust faults also may provide excellent conduits for mineralization, from the two nearby syenite stocks.

An examination of several geological reports on the property and discussions with geologists familiar with the property suggests that there are two main showings that merit drilling. The first showing was examined by R. G. Hilker. He reports the following two assays from random grab samples from trenches on the Gull #1 mineral claim:

<table>
<thead>
<tr>
<th>Sample #</th>
<th>Lead %</th>
<th>Zinc %</th>
</tr>
</thead>
<tbody>
<tr>
<td>3536</td>
<td>6.15</td>
<td>5.38</td>
</tr>
<tr>
<td>3538</td>
<td>4.88</td>
<td>0.91</td>
</tr>
</tbody>
</table>

Hilker also states the sulphide mineralization appeared to occur in the tuffaceous or rhyolitic host rock as discontinuous veins of "sweat" blebs along fracture and joint planes. The massive sulphides in the Gull #1 trenches are possible evidence of an indication of Stringer Ore, which is usually found on the stratigraphic footwall of a massive sulphide deposit. Therefore, the central part of the Full claims may be located slightly below the massive sulphide ore horizon, but within the acidic host rocks and stringer ore zone. The Gull claim troup therefore, has the potential of being located on a very favourable stratigraphic horizon in a volcanogenic sequence which may contain massive sulphide mineralization. Northern Horizon has not been able to examine this showing.
The mat showing uncovered during October, 1979 is located on the Mat Claim #4A. It clearly requires drilling.

**ASSESSMENT WORK**

The work to mobilize the exploration program commenced on July 22, 1981. Camp was established on the property July 30. The exploration program ended on August 29, 1981. The program consisted largely of Cat trenching and tote road repair. A drill program was scheduled and the driller arrived at the property with a BBS #1 drill. For some unexplained reason the driller left and did not complete his contract. The drilling company was B.B.S. Drilling, of Whitehorse. Dr. Douglas Craig was retained as Geological Consultant. Dr. Craig expected to map the property as well as supervise the sampling and drilling. An alternative drill company was not found due to the lateness of the season.

The crew employed on the project was:

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. Lightburn</td>
<td>Vancouver</td>
<td>Geologist Cat Operator</td>
</tr>
<tr>
<td>L. Lightburn</td>
<td>Mission</td>
<td>Mechanic Labourer</td>
</tr>
<tr>
<td>W. Surette</td>
<td>Whitehorse</td>
<td>Mechanic Cat Operator</td>
</tr>
<tr>
<td>T. Fekete</td>
<td>Whitehorse</td>
<td>Cat Operator</td>
</tr>
<tr>
<td>D. Craig</td>
<td>Whitehorse</td>
<td>Visitor Geologist</td>
</tr>
</tbody>
</table>

Two Cats were required because large areas of the property are swampy. Attractive exploration targets have been avoided by others exploring the property because of these swamps. One Cat or another was stuck in the mud two to three times a day. On one occasion both were stuck and it became necessary to bring in a third Cat (Tony Fekete). A large trench measuring approximately 500 feet long, 50 feet maximum width and 40 feet deep was bulldozed.

A continuing program of cat trenching and diamond drilling should be initiated to property investigate the potential of the two main showings.
CONCLUSIONS AND RECOMMENDATIONS

In view of the work done Northern Horizon's optioned claims offer a very attractive exploration prospect. On one hand, the example of Canol Metal Mines direct shipping ore experience indicates the potential for immediate revenue. On the other hand, the continuing exploration program by Cyprus Anvil of the MM claims immediately to the south of the claim group attests to the possibility of locating a large tonnage Lead-Zinc-Silver deposit.
NORTHERN HORIZON
STATMENT OF COSTS
ROSS RIVER
MAT JD JDX SUN
GULL GRAY DM
CLAIMS

Air Fare $ 362.50

Labour:
S. G. Lightburn - Geologist - Cat Operator $7,800.00
L. I. Lightburn - Mechanic - Labourer 4,000.00
W. Surette - Mechanic - Cat Operator 1,500.00 $ 13,300.00

Cat Time (Incl. Fuel)

Case with 680 Backhoe
32 days x 8 hr. x $80/hr. 20,580.00
(July 29 - Aug. 29)
D7 August 6 - August 29
23 days x 8 hr. x $80/hr. 15,720.00
D7 Tony Fekete 2,300.00 38,600.00

Pickup Trucks (Incl. Fuel & Mileage)

Rental - 4x4 with camper 3,200.00
HHRC 4x4 37 days @ $60 2,220.00 5,420.00

Cat Transport

Fekete 1,400.00
Pedersen 1,050.00
922 840.00 3,290.00

Assay 53.75

Food and Supplies 600.00

Report

TOTAL $62,626.25