

MOUNTAIN HIGHGRADE MINES LTD.

**VLF-EM SURVEY ON THE
KODIAK PROPERTY, RANCHERIA AREA
SOUTHERN YUKON TERRITORY**

M.A. Power M.Sc. P.Geo.



QUARTZ CLAIMS

TUNDRA 1-4

YB47312 - YB47315

Work performed: February 24 - 26, 1995
Mining District: Watson Lake
NTS: 105 B 1
Location: 60° 12' N 130° 24' W
August 20, 1995



Summary

A very low frequency electromagnetic (VLF-EM) survey was conducted on the Kodiak Property to delineate a fault controlled silver vein. The survey identified a conductor striking 40° coincident with several exposures of mineralization in on the property.

1.0 INTRODUCTION

This report describes a very low frequency electromagnetic (VLF-EM) survey conducted on the Kodiak Property during February 1995 to delineate structures hosting precious metal mineralization.

2.0 PROPERTY

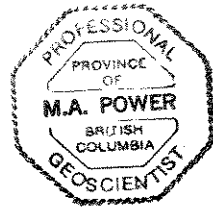
The Kodiak Property consists of the following Quartz Claims staked under the Yukon Quartz Mining Act in the Watson Lake Mining District:

<u>Claims</u>	<u>Grant Number</u>	<u>Expiry Date</u> ¹
TUNDRA 1-4	YB47312-15	March 2, 2000
TUNDRA 5-8	YB58731-34	March 1, 1996

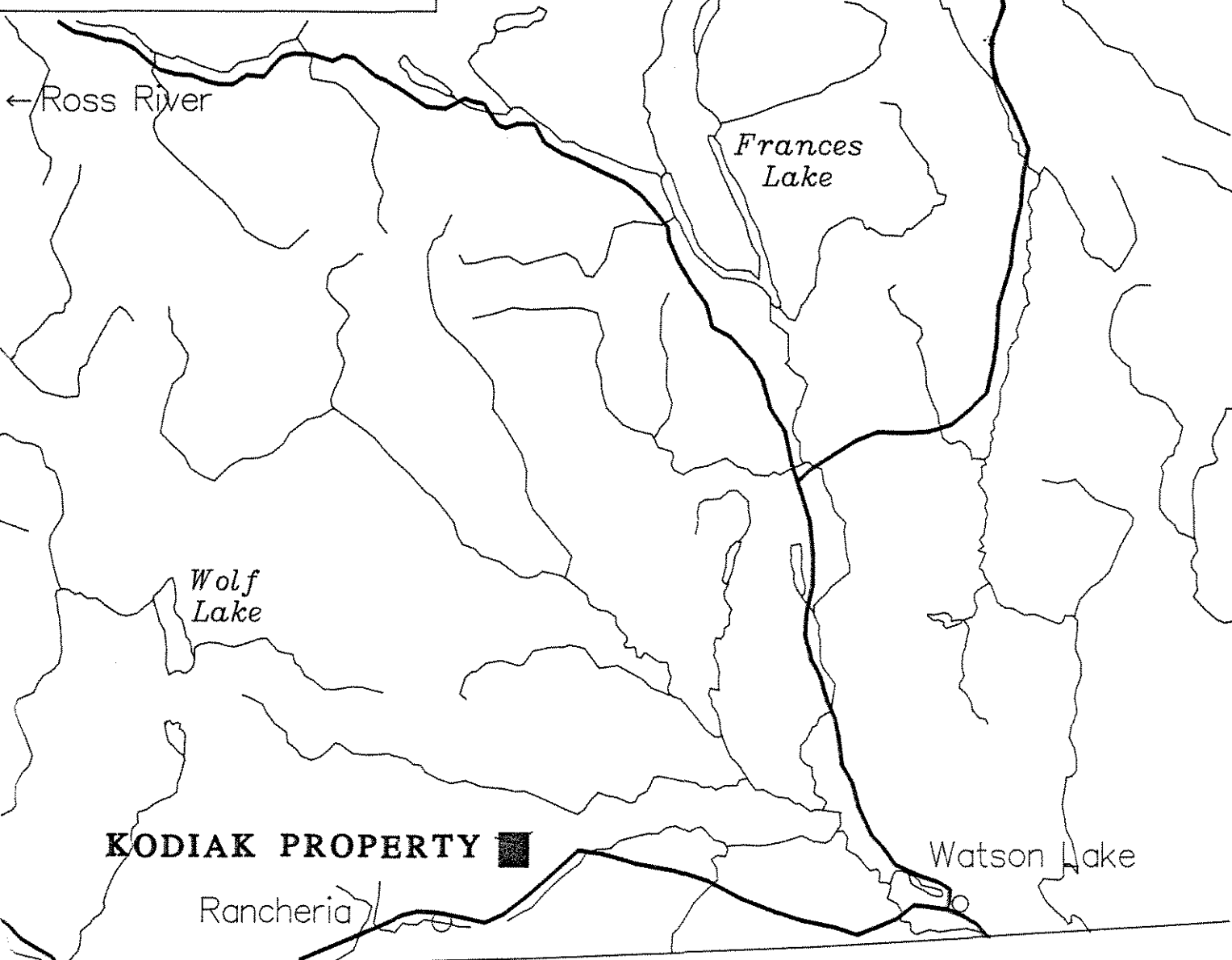
The claims are held jointly by:

<u>Owner</u>	<u>Percent ownership</u>
Gary Lee Box 5348 Whitehorse Y.T. Y1A 4Z2	50%
Mountain Highgrade Mines Ltd. S6 C11 Whitehorse Y.T. Y1A 5V8	50%

¹Subject to acceptance of the assessment work described in this report.



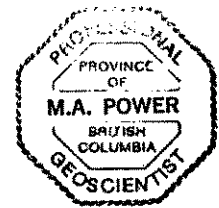
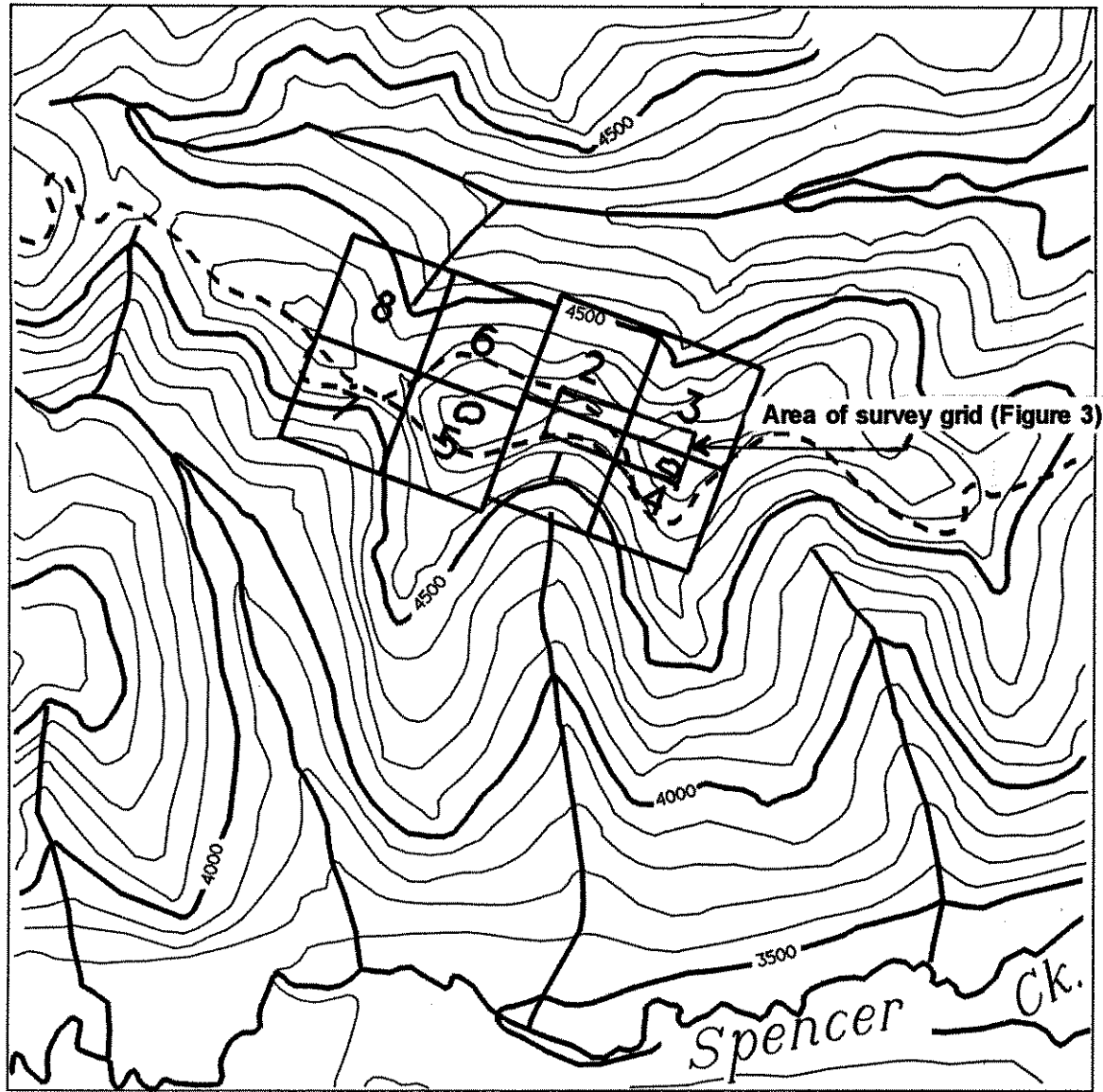
N.W.T.



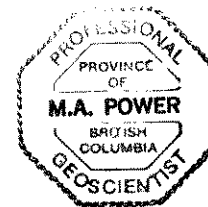
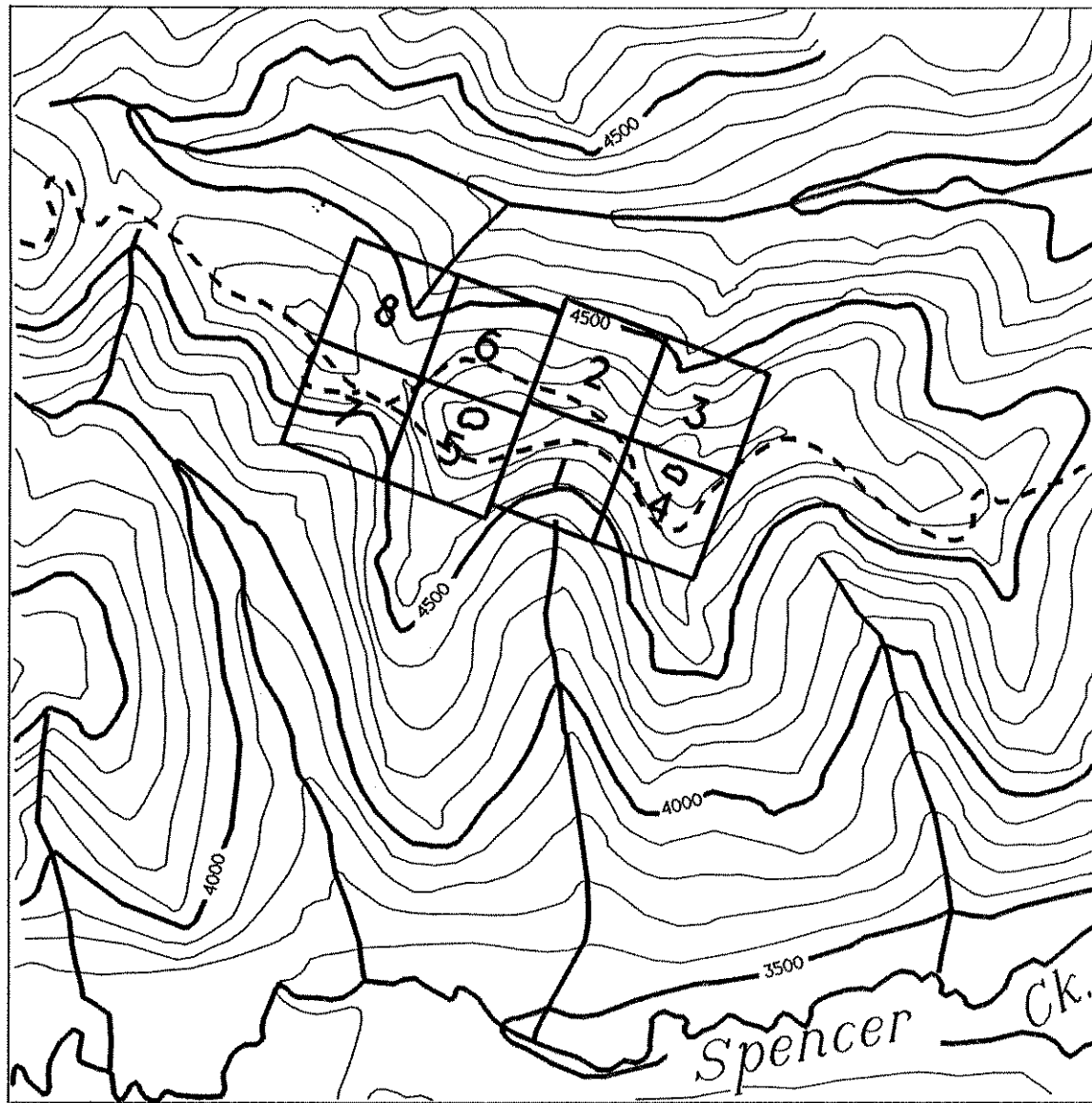
British Columbia



KODIAK PROPERTY		Claims: JACK 1-8	
Location and access LOCATION		Mining District: Watson Lake, Y.T.	
		NTS: 105 B 1	Scale: 2:170,000(A)
Mountain Highgrade Mines Ltd.		Drawn by: M.A.P.	
		DATE: 17AUG95	Figure: 1



KODIAK PROPERTY	CLAIMS: TUNDRA 1-8
CLAIM LOCATION	MINING DISTRICT: WATSON LAKE
	NTS: 105 B 1 SCALE: 1:30,000
MOUNTAIN HIGHGRADE MINES	OPERATOR: G. LEE / M. POWER
	DATE: 18 AUG 95 FIGURE: 2



KODIAK PROPERTY	CLAIMS: TUNDRA 1-8	
CLAIM LOCATION	MINING DISTRICT: WATSON LAKE	
	NTS: 105 B 1	SCALE: 1:30,000
MOUNTAIN HIGHGRADE MINES	OPERATOR: G. LEE / M. POWER	
	DATE: 18 AUG 95	FIGURE: ?

3.0 LOCATION, ACCESS AND GEOGRAPHY

The Kodiak Property is located 115 km west of Watson Lake Y.T. at 60° 12' N 130° 24' W on NTS Sheet 105 B 1 (Figure 1). The property can be reached by a 4x4 road branching from the Alaska Highway 30 km east of Rancheria. This route, informally named the Spencer Creek Road, requires minor repair at two crossings of an unnamed creek north of Spencer Creek in order to afford ready access to the property.

The property is at and above treeline on a ridge to the north of Spencer Creek in the Cassiar Mountains (Figure 2). Elevations range from 3500 feet in the drainages to 5500 feet at the peaks in this area. Mountain ridges are generally rounded with steep sides and outcrop is scarce. The local climate is cool and wet in the summer and cold and windy in the winter. Snowfall in the Spencer Creek area can be significant; in the author's experience a four foot snow pack is not uncommon by March in any given year.

4.0 GEOLOGY

The Kodiak Property is underlain by Cambrian limestones, dolomites and phyllites cut by Eocene mafic dykes. The latter are aphanitic to porphyritic diabase dikes with augite phenocrysts. They are up to 1 m wide and oriented at 110° 75°. The property is within 5 km of the northern terminus of the northwest-trending Kechika Fault and is several hundred metres northeast of a steeply northeast-dipping normal fault.

Showings in the area are described by G. Abbot as occurring in steeply dipping fractures or faults and consisting of several centimetres of galena oxidized to black wad. Brown manganite-stained gossan was observed by the author in some of the trenches near the south showing. The trend of the structures hosting mineralization is between 20° and 75°.

5.0 EXPLORATION HISTORY

The Kodiak Property (Minfile occurrence 105 B 1 ⁰¹⁶ ~~017~~) was first staked as the Hardtack claims by M. Grenier. He performed hand trenching and let the property lapse. The area was staked by a number of junior mining companies including Hi-Boy Mining and Exploration Ltd., Pacific Giant Steel Ores Ltd. and Canex Placer Ltd. in the period 1964-1967. During this stage of development, a series of showings hosting 1 to 50 OPT Ag with up to 70% Pb and 2 % Zn were uncovered. The property changed hands several times during the 1970's and was explored again extensively by Yukon

Wrong Record

Minerals Ltd. during the period 1985-1990. Yukon Minerals upgraded the access road and conducted geochemical sampling, geological mapping and bulldozer trenching. They uncovered new showings north of the old showings on the current Tundra 1-4 which returned silver assays ranging from 115 to 170 OPT. The property lapsed in 1994 and was restaked by the present owners.

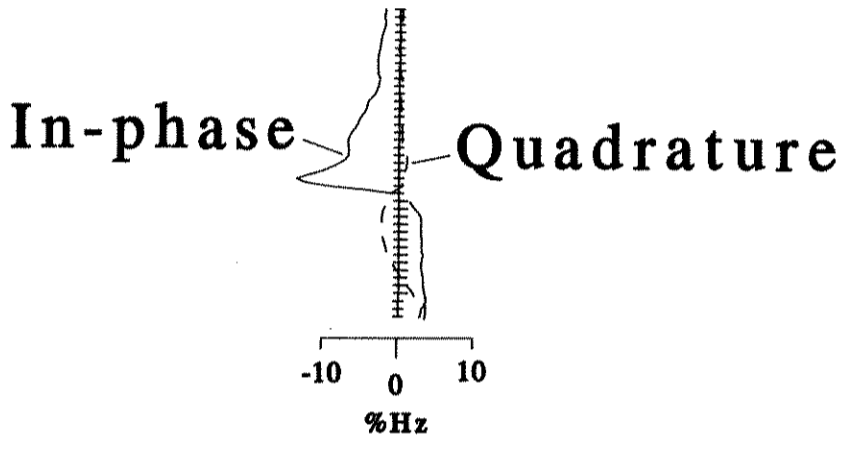
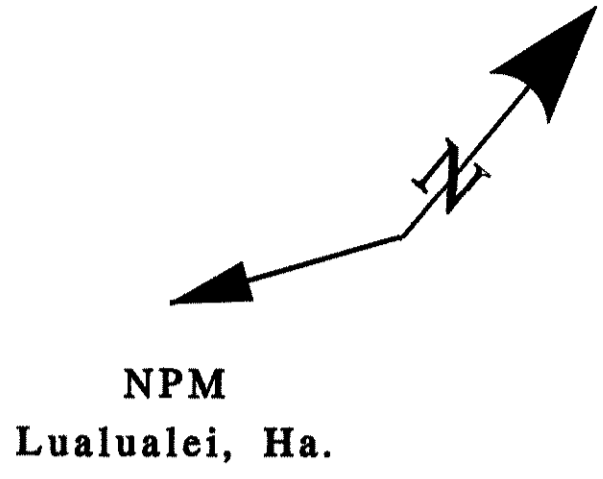
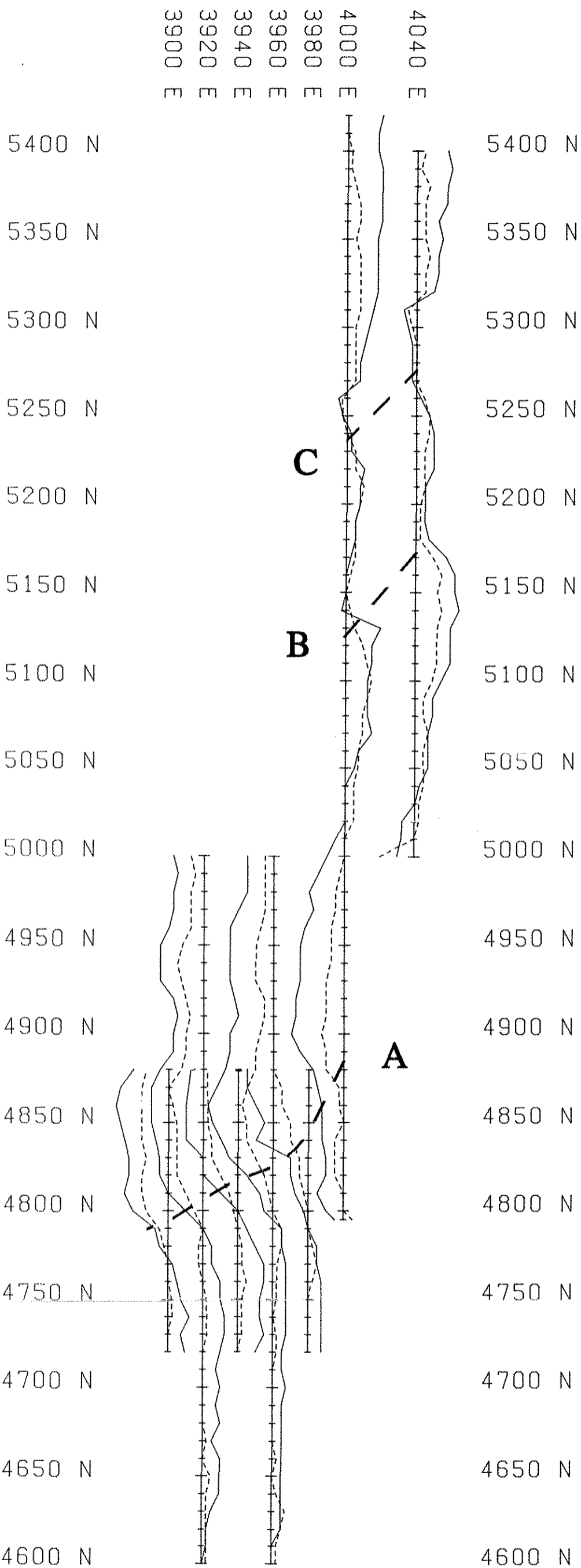
6.0 GEOPHYSICAL SURVEY

A VLF-EM survey was conducted on the property by M. Power and G. Lee during February 24-26, 1994. This consisted of emplacing a survey grid and surveying using a single VLF transmitting station.

The survey grid is centred on the Tundra 1-4 claims and is picketed at 20 m intervals with half-length wooden lathe. The grid origin is at the claim posts in the centre of this claim block and is marked by a steel rebar survey monument capped by a sighting post. The grid baseline (5000N) is oriented at 50° and lines are turned at 20 m intervals from it. All of the survey grid is on the TUNDRA 1-4 Claims.

Readings were taken at 10 m intervals using a Geonics EM-16. The transmitter at Lualualei, Hawaii was used throughout the survey. It has an apparent azimuth of 210° and the operator faced north at 300° when taking the readings. The slope of the VLF-EM magnetic field was measured in percent and resolved into in-phase and quadrature components. A positive cross-over consists of a positive to negative response moving from grid south to north with the point of inflection centred over the top of the conductor axis. The data is plotted in Figure 3 as stacked profiles together with the survey grid. The negative base level of the field in the southern portion of the grid is apparently due to topography.

Three conductors were identified during the survey. Conductor **A** cuts across an area which has been trenched with a bulldozer. Conductors **B** and **C** have not been trenched or apparently tested. These conductors strike at approximately 10°.



- - - CONDUCTOR AXIS

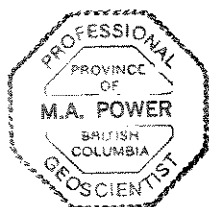


KODIAK PROPERTY	CLAIMS: TUNDRA 1-8	
VLF-EM Survey Stacked Profile Map	MINING DISTRICT: WATSON LAKE	
	NTS: 105 B 1	SCALE: 1:2,500
MOUNTAIN HIGHGRADE MINES	OPERATOR: G. LEE / M. POWER	
	DATE: 19 AUG 95	FIGURE: 3

7.0 CONCLUSIONS AND RECOMMENDATIONS

The VLF-EM survey delineated a known mineralized trend on the Kodiak Property and identified two other conductors meriting further investigation. The VLF survey should be continued onto the adjacent TUNDRA 5-8 claims and conductors identified by the survey should be trenched by hand or with an excavator.

Respectfully submitted,
MOUNTAIN HIGHGRADE MINES LTD.

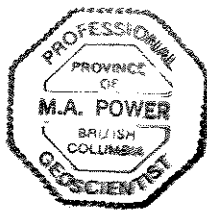


M.A. Power M. Sc. P. Geo.
Geophysicist

APPENDIX A. STATEMENT OF QUALIFICATIONS

I, Michael Allan Power of Whitehorse, Yukon Territory, certify that:

1. I obtained a Bachelor of Science Degree with First Class Honors in Geology from the University of Alberta in 1986 and a Masters Degree in Geophysics from the University of Alberta in 1988. I am a Professional Geoscientist registered in the Province of British Columbia.
2. I have been employed in mineral exploration and geophysical research since 1984.
3. I performed or supervised the geophysical survey and prepared this report.



Michael A. Power M.Sc. P. Geo.

Whitehorse, Yukon Territory
August 20, 1995

APPENDIX B. PROJECT LOG

<u>Date</u>	<u>Activity</u>
Feb 23/95	Move survey crew to Rancheria from nearby property. Check equipment.
Feb 24-25/95	Gridding and VLF survey
Feb 26/95	Return to Whitehorse

Personnel

Mike Power
Box 5709
Whitehorse, Y.T.
Y1A 5L5

Gary Lee
Box 5348
Whitehorse, Y.T.
Y1A 5L5

Total Man Days:

M. Power	2.5 days
G. Lee	2.5 days

APPENDIX C. STATEMENT OF EXPENSES**GEOPHYSICAL SURVEYS**

Groceries and meals	\$75.00
Accommodation - Rancheria	130.00
Fuel	120.00
Geonics EM-16 rental	80.00
Snowmobile rental - 2 machines	200.00
Truck (4x4) rental - 2 trucks	200.00
G. Lee:1.5 days @ \$250	375.00
M. Power:1.5 days @ \$250	<u>375.00</u>
	\$1,555.00

REPORT

Computer processing, CADD, interpretation, report preparation	<u>\$700.00</u>
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TOTAL EXPENDITURES **\$2,255.00**

