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REPORT ON
PLACER PROSPECTING LEASE NO.5754
MINTO CREEK AREA
MAYO MINING DISTRICT
YUKON TERRITORY

Latitude $63^{\circ}42' 1/2''$ North

Longitude $136^{\circ}07'$ West

Map Reference: 115 - P9

Prepared for: TRIEX RESOURCES LTD.

At the request of: the company

File No.: 4130

Date: 1982 December 01


Gordon R. Hilchey, P.Eng.

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ILLUSTRATIONS

Location Map

Upper Minto Creek 1:50,000

Sketch Plan, Hydraulic Cut Area, Upper Minto Creek

Geological Sketches, Upper Minto Creek, Jarvis
Creek & Hydraulic Areas

Photographs

J. R. H.

PRELIMINARY REPORT ON
PLACER PROSPECTING LEASE NO.5754
MINTO CREEK AREA
MAYO MINING DISTRICT
YUKON TERRITORY

INTRODUCTION

The property was examined briefly by the author on October 27, 1982. There was about 8 inches (~20 cm) of snow on the property which limited field observations. Most of the data for this report has therefore been drawn from published data on the immediate area, a private report* by M. C. Robinson, Ph.D., P.Eng. on the adjoining property, a study of the vertical air photographs, and the writer's general knowledge of the area.

LOCATION AND ACCESS

The property is located eleven airline miles (~18 km) northwest of Mayo, Yukon.

* M. C. Robinson, Ph.D., P.Eng., Summary Report, Placer Gold Deposits and Operations, Upper Minto Creek Area, Mayo Mining District, Yukon Territory, with Special Reference to Properties and Operations of Wild Boar Enterprises Ltd. -May, 25, 1981 (Private Report).

M.R.H.

Mayo lies 185 miles (~300km) north of Whitehorse, Yukon, the capital of the Territory. Mayo is accessible from Whitehorse by about 250 miles (~400 km) of road (about 30% paved, the rest is excellent gravel surface). Mayo is also served by Trans North Air, with a scheduled air service from Whitehorse several days a week. Mayo has good telecommunication facilities but other services are limited and their availability should be verified before commitments are made.

The property can be reached by following Highway 2 north from Mayo for 9 1/2 miles (15 km) to the Minto Lake turn-off. Thence west on a reasonably good gravel road another 9 1/2 miles (15 km) to the property. The property lies about a mile (~1.5 km) north of the east end of Minto Lake.

PROPERTY

The property lies on the left limit (left hand side looking downstream) of Jarvis Creek a left limit tributary of Minto Creek about a mile (~1.5 km) north of the outlet of Minto Lake. The east end of the property adjoins the placer claims of Wild Boar Enterprises Ltd.

The property consists of a single one mile bench placer prospecting lease - P.L. 5754. This lease was issued effective 12 January, 1981 and has been renewed to 12 January, 1983. Work has been done on the lease and an application for renewal to 12 January, 1984 is pending (no difficulty is expected). Before 12 January, 1984 an additional \$10000 worth of acceptable work will have to be done and recorded and the lease staked into claims.

J.R.M.

The recorded owner of the lease is Rosalinde Harms of 17515 -24th Ave., Surrey, B. C. The author understands that there is an agreement dated May 15, 1981 which effectively transfers title to the lease to Lake Minto Gold Corp.

HISTORY

Gold was discovered on Minto Creek in the spring of 1903 on bars or low benches about a mile (1.6 km) north of Minto Lake. The surface gravels near Discovery claim were rich -from three to five cents per pan or \$4.50 to \$7.50 per cubic yard (\$5.85 to \$9.75 per cubic meter) with gold at \$20.00 per fine ounce. Mining continued for a few years and the richer, readily accessible gravels were undoubtedly mined out.

During 1915 and possibly 1916 hydraulic mining was carried out high on the left limit about 2200 feet (0.7 km) north of Minto Lake. The area worked is still clearly visible.

The next recorded mining operation on Minto Creek was during the early and mid-1960's when Frank Erl mined a small pit a few hundred feet (~100 m) north of the end of Minto Lake.

During the late 1960's or early 1970's Gus Heitman and Walter Hinnek mined a left limit bench a short distance north of Discovery and in 1977 Fred Schomig mined a low bench a short distance north of Heitman & Hinnek's workings.

In 1980, Wild Boar Enterprises Ltd. mined an area adjoining Schomig's workings using newly-developed cylinder concentrators. The concentrators proved less than satisfactory. Mining was resumed during 1981 but for most of the season a conventional sluice box was used to recover the gold with very poor results.

J.R.H.

All of the operators since 1960 gave up because of very poor recovery of the fine gold. It is also likely that the hydraulic operation was terminated for the same reason. It is probable that the earliest operators were more successful but after mining the richest, easy-to-work gravels they moved on.

GEOLOGY

The area is underlain by Yukon group schists intruded by granite rocks of Mesozoic (Cretaceous age) and Early Tertiary (Eocene?) age. On the basis of presently available data, most of the bedrock gold in the Yukon appears to be related to early Tertiary intrusives. This bedrock gold is the source of the placer gold.

RU Sweet?

The area has been over-ridden by glaciers moving in from the east which have deposited till and outwash sands and gravels. Post glacial streams have cut through these glacial deposits and, in the case of Minto Creek, have eroded up to 250 feet or more of these glacial and post-glacial deposits.

It is probable that the gold was transported into the upper Minto Creek valley from the east by the glacier and has been concentrated and reconcentrated into the gravels. More detailed studies will be required to work out the sequence of deposition and concentration.

In any case, based on previous reports there seems to be little doubt that there is a significant amount of gold in the upper Minto Creek valley and that it is concentrated in at least three horizons of coarse gravel. The gold, typical of glacial and related deposits is in fine thin flakes and is very difficult to save by conventional methods.

A. R. H.

PLACER GOLD POTENTIAL OF P.L. 5754

P.L. 5754 lies on the high western bench on the left limit of Minto Creek about 250 feet (75 m) higher than Minto Creek. The principal reason to expect gold-bearing gravels on this prospecting lease is that only about 2500 feet (750 m) to the south is the 20 foot (6 metre) gravel horizon which was partially mined about 1915 and 1916. This gravel can be expected to extend northward to P.L. 5754.

If the gold has been glacially transported into the upper Minto Creek basin from the east, the fact that most of the recent mining has been concentrated in the valley of Minto Creek a short distance east of this prospecting lease lends further encouragement.

GOLD RECOVERY

There are known, proved methods for recovering fine, flakey gold. The Reichert Cone/Deister table combination is one of the most effective. A plant near Boise, Idaho, has been operating very successfully recovering very fine gold for over two years. Recovery of the gold from the upper Minto Creek area should be no problem.

CONCLUSIONS AND RECOMMENDATIONS

Placer Prospecting Lease No. 5754 can be considered a placer prospect which justifies an exploration program to determine the location, extent and value of gold-bearing gravels.

J.R.H.

A survey of the property and a drilling/test-pitting program is recommended. The estimated expenses are as follows:

PHASE I

Survey	3 days @ \$500	\$ 1,500
Drilling	10 holes 40 feet deep @ \$40.00/foot (all-in)	<u>16,000</u>
Total		17,500
Contingencies		<u>2,500</u>

TOTAL PHASE I		\$20,000

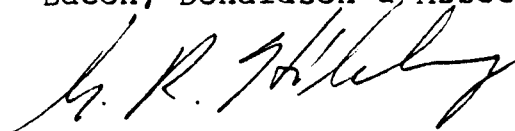
If results of PHASE I exploration are satisfactory a follow-up program is recommended:

PHASE II

Drilling and/or test-pitting	\$23,000
Metallurgical testing	<u>7,000</u>
Total	\$30,000
Contingencies	<u>5,000</u>
TOTAL PHASE II	\$35,000

Yours sincerely,

Bacon, Donaldson & Associates Ltd.



G. R. Hilchey, P.Eng.

CERTIFICATE

I, GORDON R. HILCHEY of North Vancouver, British Columbia, hereby certify as follows:

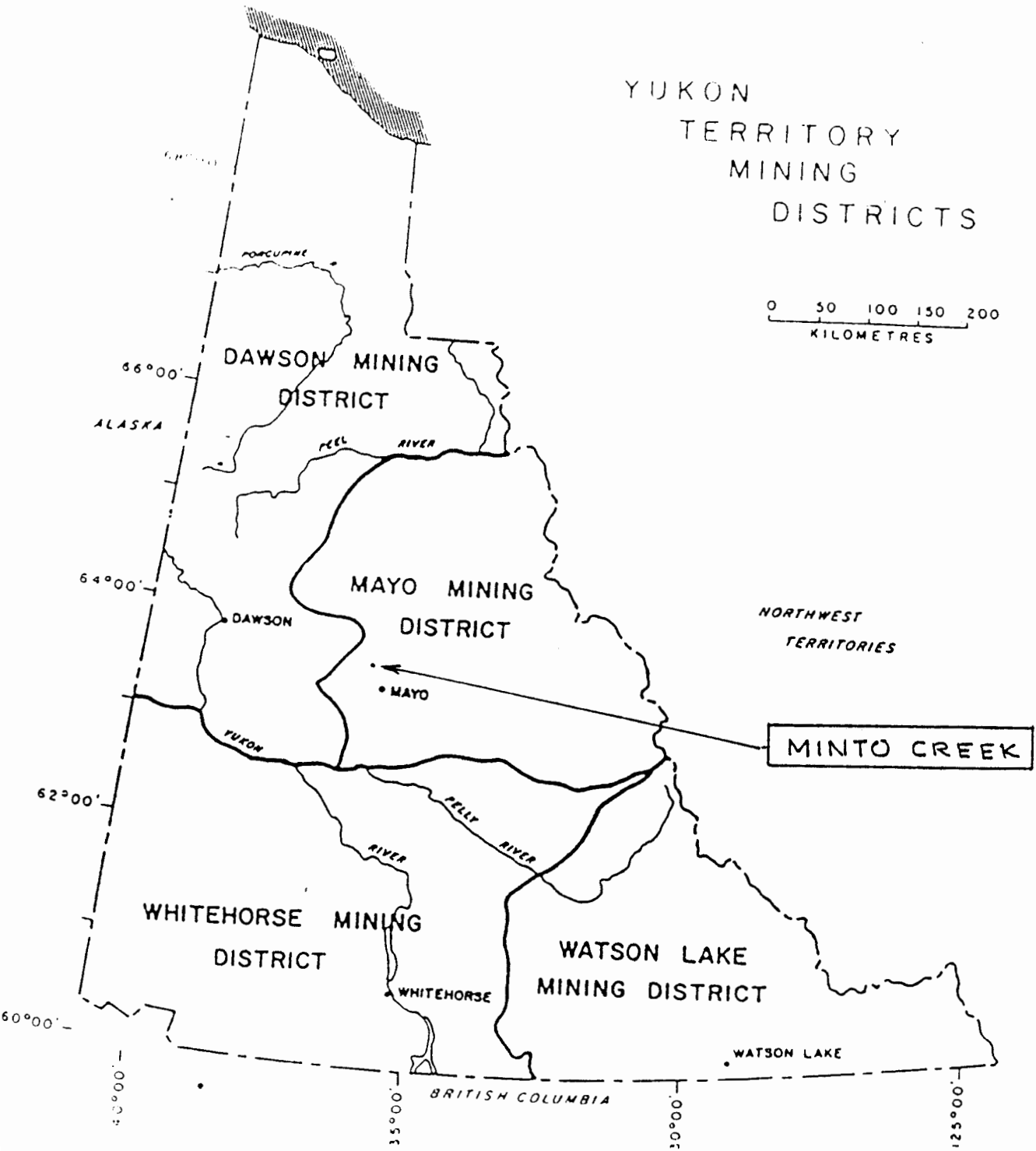
1. I graduated from the University of British Columbia in 1942 with the degree of Bachelor of Applied Science (Geological Engineering).
2. I graduated from the University of Alaska in 1947 with the degree of Bachelor of Mining Engineering.
3. I am a registered Professional Engineer (Mining) in the Province of British Columbia.
4. I am a registered Professional Engineer in the Yukon Territory.
5. I have practised my profession for more than twenty years including four years experience in placer in the Yukon and elsewhere in North America.
6. I have no interest in the property or securities of TRIEX RESOURCES or in any properties in the Minto Creek area, Yukon.

Dated at Vancouver, British Columbia, this 19th Day of January, 1983.



Gordon R. Hilchey, P. Eng.

YUKON TERRITORY MINING DISTRICTS

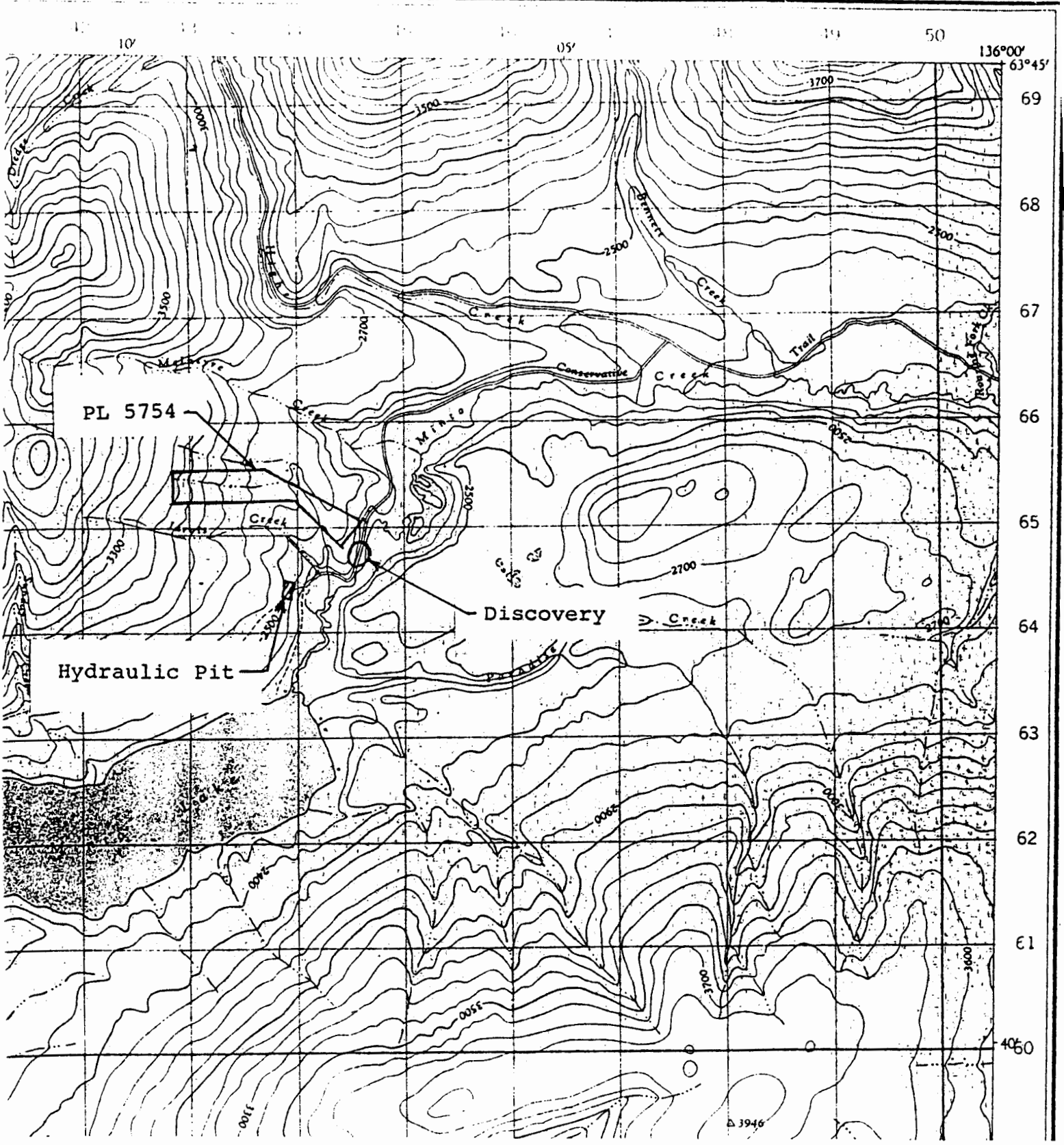


MINTO CREEK

FIGURE 1

LOCATION MAP

S. R. H.



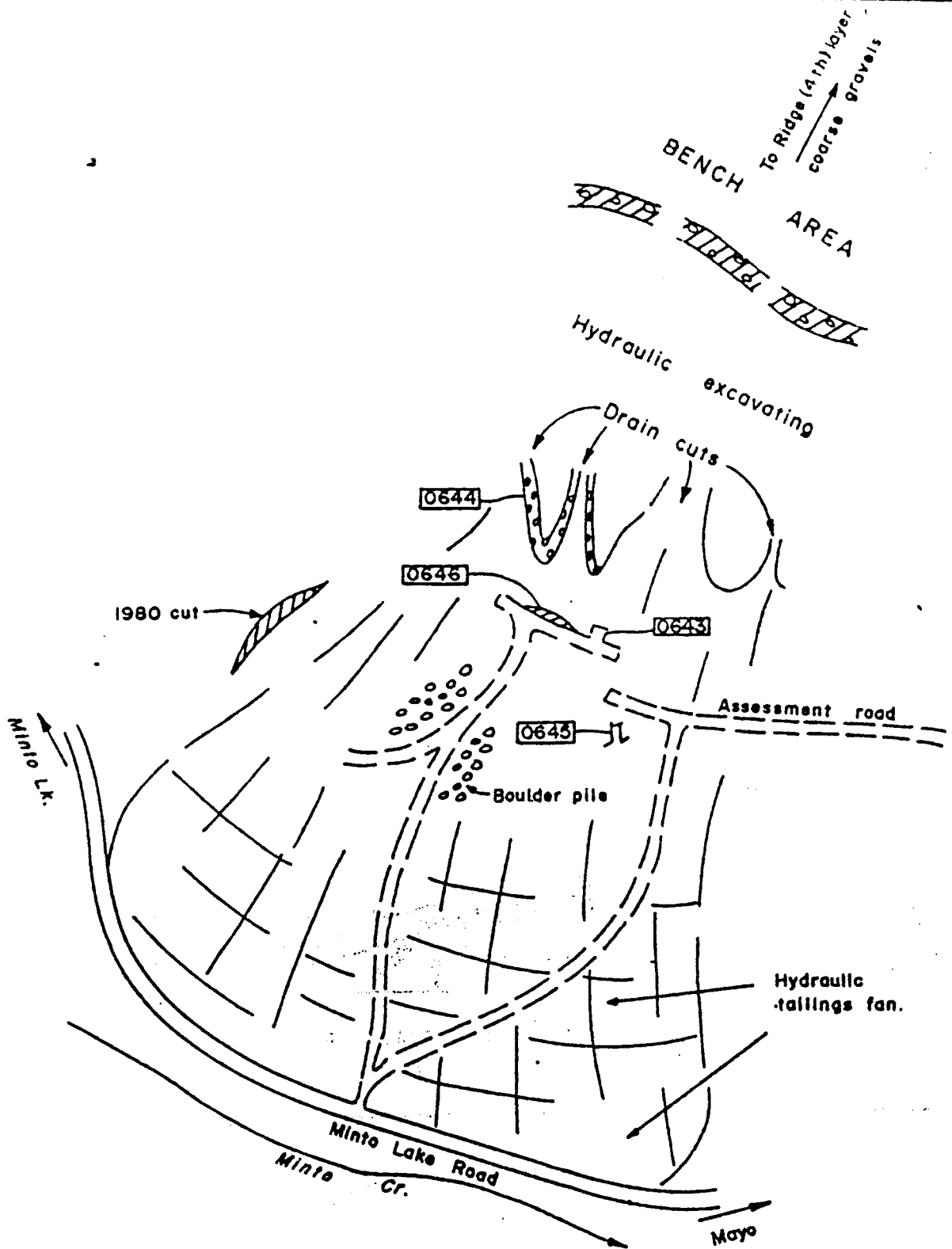
UPPER MINTO CREEK

Scale: 1:50,000

10 Nov. 82

G. R. Hilchev

G. R. Hilchev



From Report By M. C. Robinson, Ph.D.,
 P. Eng.
 May 25, 1981

0645 - Sample location

WILD BOAR ENTERPRISES LTD.

**SKETCH PLAN
 HYDRAULIC CUT AREA
 UPPER MINTO CREEK**

DRAWN BY: SHMc

DATE: APR./81

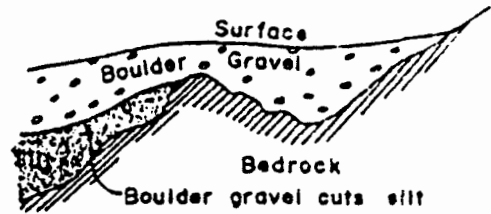
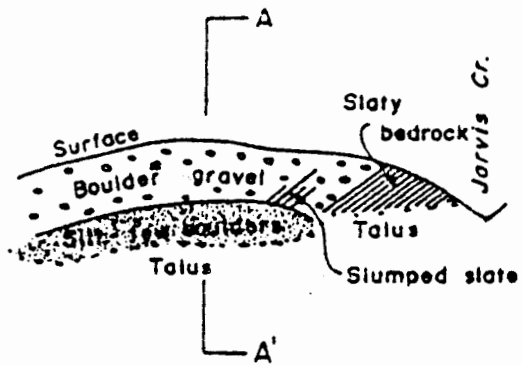
SCALE: 1" = 400'

FIG. NO. 9

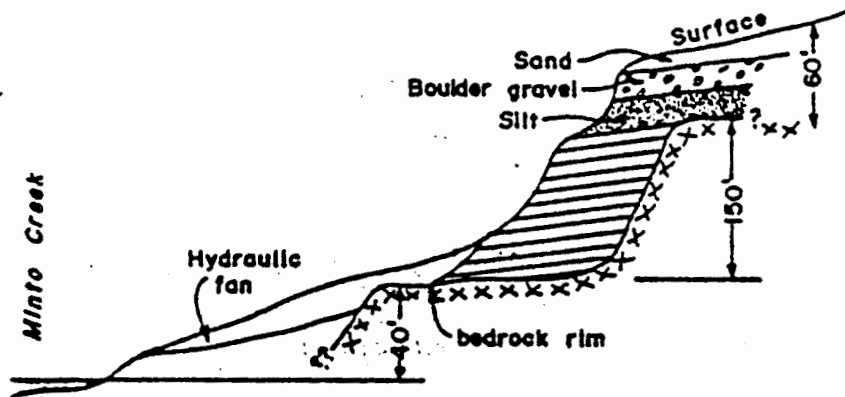
L.R.76

SW

NE



SKETCHES SHOWING
SEDIMENT-BEDROCK RELATIONSHIPS
JARVIS CREEK AREA



SKETCH SHOWING SEDIMENT-BEDROCK RELATIONSHIPS
HYDRAULIC CUT AREA

From report by M. C. Robinson, Ph.D.,
P. Eng.
May 25, 1981

WILD BOAR ENTERPRISES LTD.

GEOLOGICAL SKETCHES
UPPER MINTO CREEK
JARVIS CR. & HYDRAULIC AREAS

DRAWN BY: SHMc

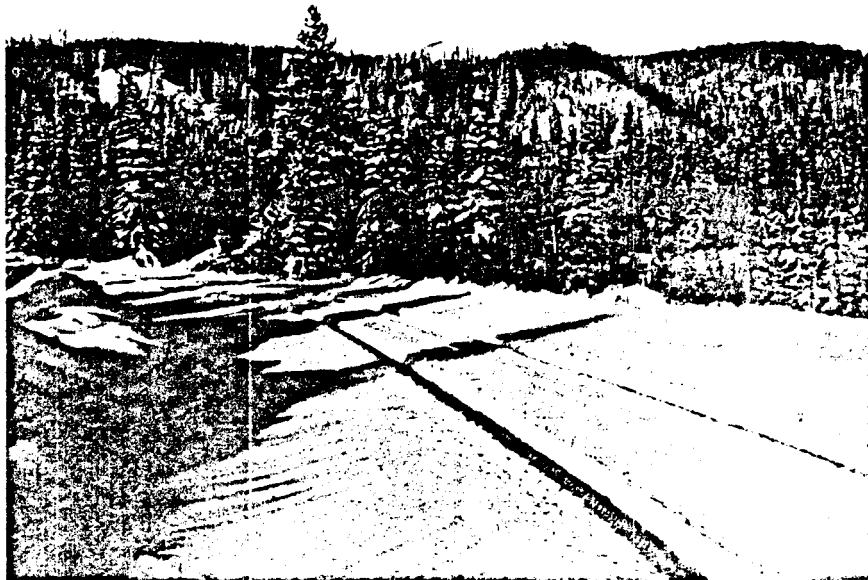
DATE APR./81

FIG NO. 10

A.R.



Hydraulic Pit Area From Road

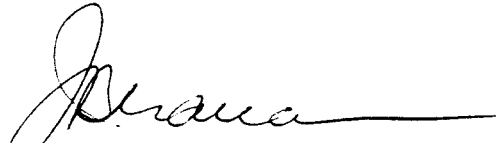


Looking North Toward Mouth of Jarvis Creek
and Lower End of P.L. 5754


CERTIFICATE

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the Securities Act (British Columbia) and the regulations thereunder.

DATED at Vancouver, British Columbia, this 28th day of February, 1983.



JOHN BRUCE GALLACHER
President/Director
Promoter



BRUCE EDWARD IGGULDEN
Secretary/Director
Promoter



MELAN MICHAEL PARDEK
Director
Promoter