ASSESSMENT REPORT

ON THE

M A Y C L A I M G R O U P

Whitehorse Mining District

(Yukon Claim Sheet #115-I-3)

By

Ace R. Parker & Associates

Mineral Industry Consultants & Contractors

Whitehorse, Yukon Territory

Work Performed

Between

June 1, 1968

June 30, 1968

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INTRODUCTION

This report covers geochemical and geophysical work conducted to date on the MAY CLAIM GROUP situated near Mt. Hansen in the Carmacks area of the Whitehorse Mining District, Yukon Territory.

The work outlined in this report was conducted by the management and staff of Ace R. Parker & Associates Limited, Mineral Industry Consultants and Contractors, Whitehorse, Yukon at the request of Mr. Jack E. Smith on behalf of Esansee Explorations who control the property.

The geochemical and geophysical work as summarized in this report is presented as assessment work in compliance with the Yukon Quartz Mining Act.

SUMMARY

This report includes the methods, results and costs of a preliminary geochemical and geophysical survey conducted during June 1968 on the MAY CLAIM GROUP situated near Mt. Nansen, west of Carmacks, Yukon.

Three and two-tenths (3.2) line miles of picket lines (see attached maps) spaced at 200 feet intervals provided a control for the surveys discussed herein.

The attached maps show the results of the surveys and strongly suggest the presence of several gold-silver-lead-zinc bearing vein zones contained in granitic rocks.

Additional geophysical surveys in conjunction with bulldozer trenching and diamond drilling are recommended to assess the potential of the property.

PROPERTY & OWNERSHIP

The property consists of thirty-seven (37) contiguous and granted mineral claims, including one "optioned" claim, all shown on the attached Property Location Map and recorded in the Office of the Mining Recorder at Whitehorse, Yukon as follows:

CLAIM NAME	GRANT NO.	EXPIRY DATE	REGISTERED OWNER
May 1 to 8 incl.	Y 21016 to Y 21023	29 Sept. 1968	Esanzee Exploration Ltd.
May 11 to 16 incl.	Y 23901 to Y 23906 incl.	26 Feb. 1969	Esanzee Exploration Ltd.
May 17 to 22 incl.	Y 23907 to Y 23912 incl.	26 Feb. 1969	Esanzee Exploration Ltd.
Galena Fr'e 1 to 3 incl	Y 24985 to Y 24987 incl.	12 June 1969	R. Savidge
Safety Factor 1 to 5 incl.	Y 24993 to Y 24992 inc.	12 June 1969	R. Savidge
Safety Factor 6 to 13 incl.	Y 24993 to Y 25000 inc.	12 June 1969	R. Savidge
Sue 3	Y 20651	14 Aug. 1971	J. M. Wheeler

LOCATION & ACCESS

The property lies at Latitude 62° 07' N. and Longitude 137° 15' W. on a rounded mountain slope between elevations of 4,200 feet and 4,900 feet above sea level, two air miles northeast of the summit of Mt. Nansen.

These claims are located 31 air miles west of Carmacks, Yukon, and approximately five air miles northwest of Mount Nansen Mine's new mill.

An all-weather gravel road 140 miles long currently connects Mount Nansen Mines with Whitehorse, Yukon, which is located 111 miles by narrow gauge railway from deep sea haulage facilities at Skagway, Alaska.

Helicopters are available for charter in Whitehorse, which is serviced by scheduled airline flights. Both Whitehorse and Carmacks have regular bus service.

DISCUSSION OF THE SURVEYS

Purpose

The purpose of the surveys included herein was to provide preliminary exploration of the MAY CLAIM GROUP.

Geologic & Geomorphic Conditions

The MAY CLAIM GROUP lies within the Yukon Plateau Province which-- in the Mt. Nansen area-- is characterised by rolling upland hills dissected by numerous small streams flowing in a trellis drainage pattern.

The claims lie approximately 500 feet above the timberline elevation of 4,000 feet, and cover the grassy slopes on the northeastern flank of Mt. Nansen. Below timberline, vegetation consists of typical "Yukon Black Spruce" of various sizes intermingled with alder and buckbrush. Solifluction abounds within the area and permafrost conditions are everywhere present.

Outcrops are scarce within the claim area, but indications are that the claims cover a group of allied granitic rocks, including granite and granodiorite.

DISCUSSION OF THE SURVEYS

Geologic & Geomorphic Conditions

These rocks have been faulted and fractured in a northwest-southeast and a northeast-southwest direction, and intruded by irregular masses of Tertiary rhyolite, granite porphyry, and quartz porphyry. These late-stage intrusive rocks have presumably contributed mineralization to the area. Mineralization occurs primarily as fissure fillings in both granitic and volcanic rock types.

DISCUSSION OF THE SURVEYS

The Geophysical Survey

A Ronka EM-16 electromagnetic survey was conducted on the Sue # 3 mineral claim, utilizing grid lines spaced 200 feet and 400 feet apart, with readings being taken at 50 foot intervals and totaling 3.2 line miles of survey. Two major conductive zones and several minor conductive zones were indicated. Subsequent limited bulldozer trenching revealed one conductive zone to be caused by a silver-lead-gold bearing fissure-vein zone approximately twenty feet wide, which appears to extend at least 2,500 feet across the property.

DISCUSSION OF THE SURVEYS

The Geochemical Survey

Three hundred and fifteen soil samples were taken at 50 foot intervals along the same lines as those used for the electromagnetic survey. Relative values of the survey are tabulated as follows:

With a background of less than 50 ppm lead, 126 samples assayed over 100 ppm lead. Peak samples, assaying over 1000 ppm lead, numbered 8.

Soil samples consisted of residual soil taken from holes dug 10" deep with a mattock. All samples were analysed for lead, silver, and arsenic, utilizing hot acid extraction and atomic absorption techniques.

The results of the geochemical lead survey and the electromagnetic (EM-16) survey have been plotted in composite and shown on the attached map. It is significant that the electromagnetic conductive zones coincide with the zones anomalous in lead.

All samples were analysed for silver and arsenic and the results are also shown on the attached maps. Several anomalies are indicated which coincide with the electromagnetic and lead anomalies.

These anomalies have subsequently been shown to be caused by gold-silver-lead-zinc mineralization contained in vein zones and exposed by bulldozer trenching.

CONCLUSIONS AND RECOMMENDATIONS

A previously unknown gold-silver-lead bearing vein system has been found on the MAY GROUP near Mt. Nansen in southwestern Yukon. Correlations of geological, geophysical and geochemical evidence indicates that these veins are strong, undelineated, extensively mineralised primarily with precious metals and extend for several thousand feet across the property.

The property presents an excellent exploration bet for gold-silver-lead ore bodies when considering the favorable geological, geophysical and geochemical evidence applicable to the property--especially the unusually high arsenic, lead and silver values obtained from the reconnaissance geochemical survey.

Consequently, a staged and systematic exploration program consisting primarily of additional geochemical and geophysical surveys in conjunction with bull-dozer trenching and diamond drilling is recommended to assess the economic potential of the property.

PERSONNEL EMPLOYED ON THE PROJECT

Name	Occupation	Fixed Address
Currie, M.V.	Senior Geophysist	Port Loring, Ontario
Evans, B.	Field Assistant	Whitehorse, Yukon
Gordon, G.	Exploration Tech.	Whitehorse, Yukon
Nichols, P.	Steno	Whitehorse, Yukon
Parker, Ace R.	Consulting Engineer	Whitehorse, Yukon
Peterson, B.	Draftsman	Whitehorse, Yukon
Savidge, R.	Exploration Tech.	Durango, Colorado
Smith, J.E.	Field Assistant	Whitehorse, Yukon

COSTS

The direct costs of the surveys are outlined as follows:

Contracted Exploration:	
Picket Lines and Stations 3.2 linemiles @ $75/lm	$ 240.00
E.M. Survey 3.2 linemiles @ $150/lm	480.00
Geochemical Survey (315 spls)	
Sampling and Supplies	315.00
Lead Assaying Silver Assaying	472.50
Arsenic Assaying	320.00
Engineering, Supervision, Consulting, Interpretation and Reports	963.00
Support Facilities:	
Subsistance and Equipment Rental	688.00
Subtotal	$3,578.50
Transportation: per J.E. Smith	
TOTAL	

AFFIDAVIT OF COSTS

I, ACE R. PARKER, of the City of Whitehorse, Yukon Territory, do certify:

1. THAT I am a Consulting Engineer practicing under the name and style of Ace R. Parker & Associates Limited, Mineral Industry Consultants & Contractors, Whitehorse, Yukon and have personal knowledge of the matters described herein;

2. THAT to the best of my knowledge and belief, the costs represented in this report are a true statement of direct expenditures for Assessment Work performed on THE MAY CLAIM GROUP as outlined by this report.

Ace R. Parker & Associates Limited

per: Ace R. Parker, P. Eng.

SWORN BEFORE ME at the City of Whitehorse in the Yukon Territory, this 10th day of October, A.D. 1968

A Commissioner for taking Oaths in and for the Yukon Territory.

C E R T I F I C A T E

I, ACE R. PARKER, of the City of Whitehorse, Yukon Territory, do certify that:

1. I am a Consulting Engineer practicing under the name and style of ACE R. PARKER & ASSOCIATES LIMITED, with office at 3rd Avenue and Elliott Street, Whitehorse, Yukon Territory.

2. I am a Bachelor of Science in Mining Engineering from the College of Earth Sciences and Mineral Industry, University of Alaska, College, Alaska - 1962. I hold a diploma in Mineralogy from the Mineral Science Institute, Chicago, Illinois - 1959.

3. I am a member in good standing of the Association of Professional Engineers of Yukon, the Association of Professional Engineers of British Columbia, and the Association of Professional Engineers of Alberta. I have been a member of the American Institute of Mining, Metallurgical, and Petroleum Engineers since 1954.

4. I have formally practiced my profession for the past five years after working in the Mineral Industry since 1953.

5. I have no direct or indirect interest in the MAY CLAIM GROUP described in the accompanying report or in any securities relating to the said property.

6. This certificate is part of the attached Assessment Report on the MAY CLAIM GROUP dated October 8, 1968. The attached property map shows the location of the MAY CLAIM GROUP of mineral claims on which the included work was performed.

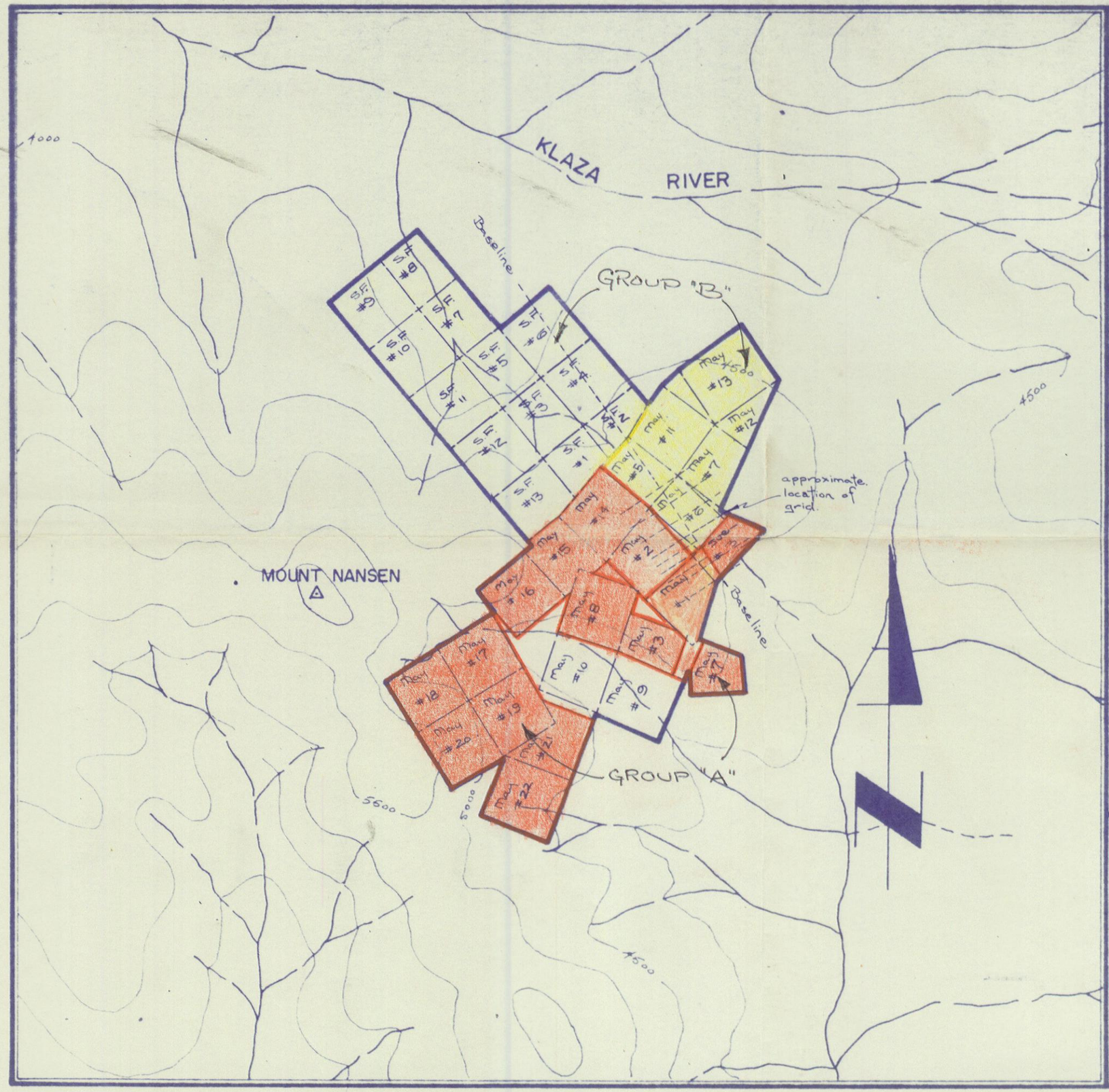
7. This report is based on a comprehensive personal study of documents, maps, and reports relating to the surveys described herein, including reports of the Geological Survey of Canada. The work outlined by this report was conducted under my supervision.

Whitehorse, Yukon
October 8, 1968

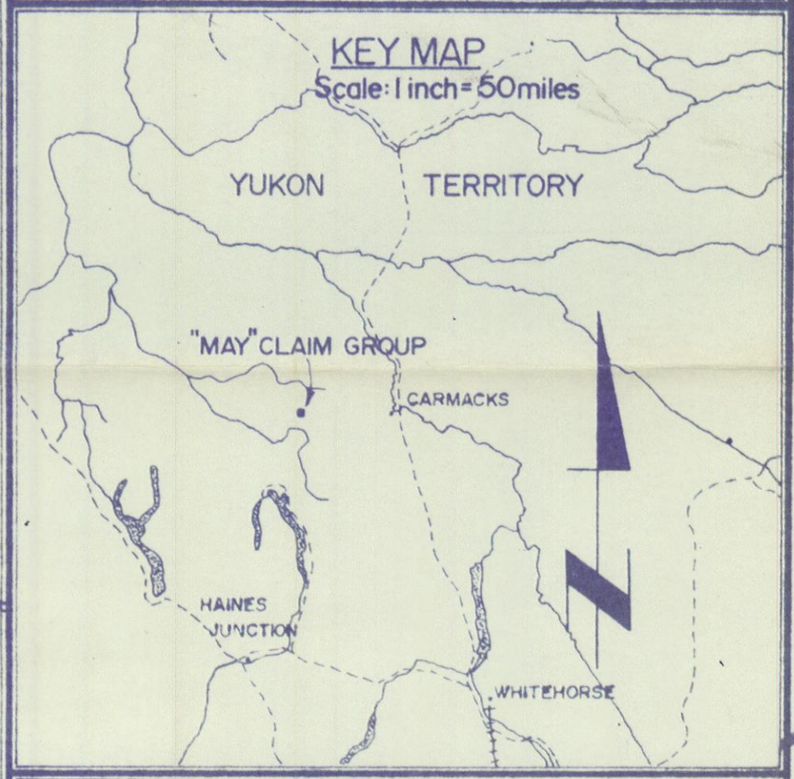
Ace R. Parker, P. Eng.

PROPERTY LOCATION MAP
of the
"MAY" CLAIM GROUP
ESANSEE EXPLORATION LTD.
(GROUPING SKETCH)
Whitehorse Mining District

Whitehorse, Yukon Territory



KEY MAP
Scale: 1 inch = 50 miles



ACE R. PARKER & ASSOCIATES
Mineral Industry Consultant & Contractors

Location map taken from Y.C.S 115-1-3 (Claim locations approximate)	SEAL
DATE:	JULY 1, 1968
SCALE:	1/2" = 1 Mile
DRAWN BY:	Barry Peterson
DWG Nº	1

Location of trench 8 feet deep exposing a fissure vein 5 feet wide and yielding character samples assaying:

GOLD: LO Oz./t
SILVER: 60 Oz./t.
LEAD: 44%
ZINC: <1%

LEGEND

GEOCHEMICAL SURVEY

4000/7 — GEOCHEMICAL LEAD ANOMALY SHOWING CONTOURED LEAD VALUES IN PARTS PER MILLION WITH PEAK VALUES OF LEAD AND SILVER IN P.P.M.

— SURVEY CONTOURED ON A BACK GROUND OF 100 P.P.M WITH A CONTOUR INTERVAL OF 100 P.P.M.

— 10" AVERAGE SAMPLE DEPTH AND ANALYSIS BY HOT ACID EXTRACTION AND ATOMIC ABSORBTION TECHNIQUE

GEOPHYSICAL SURVEY

— INSTRUMENT - RONKA EM-16
— INPHASE (readings left of line) ——
— QUADRATURE (readings right of line) -----
— INDICATED CONDUCTOR AXIS ——
— INFERRED CONDUCTOR AXIS - - -
— RESULTS PLOTTED ON SCALE 1" = 20°

NPG
PMF
SURVEY ORIENTATION

ESANSEE EXPLORATION

COMPOSITE GEOCHEMICAL & GEOPHYSICAL SURVEY

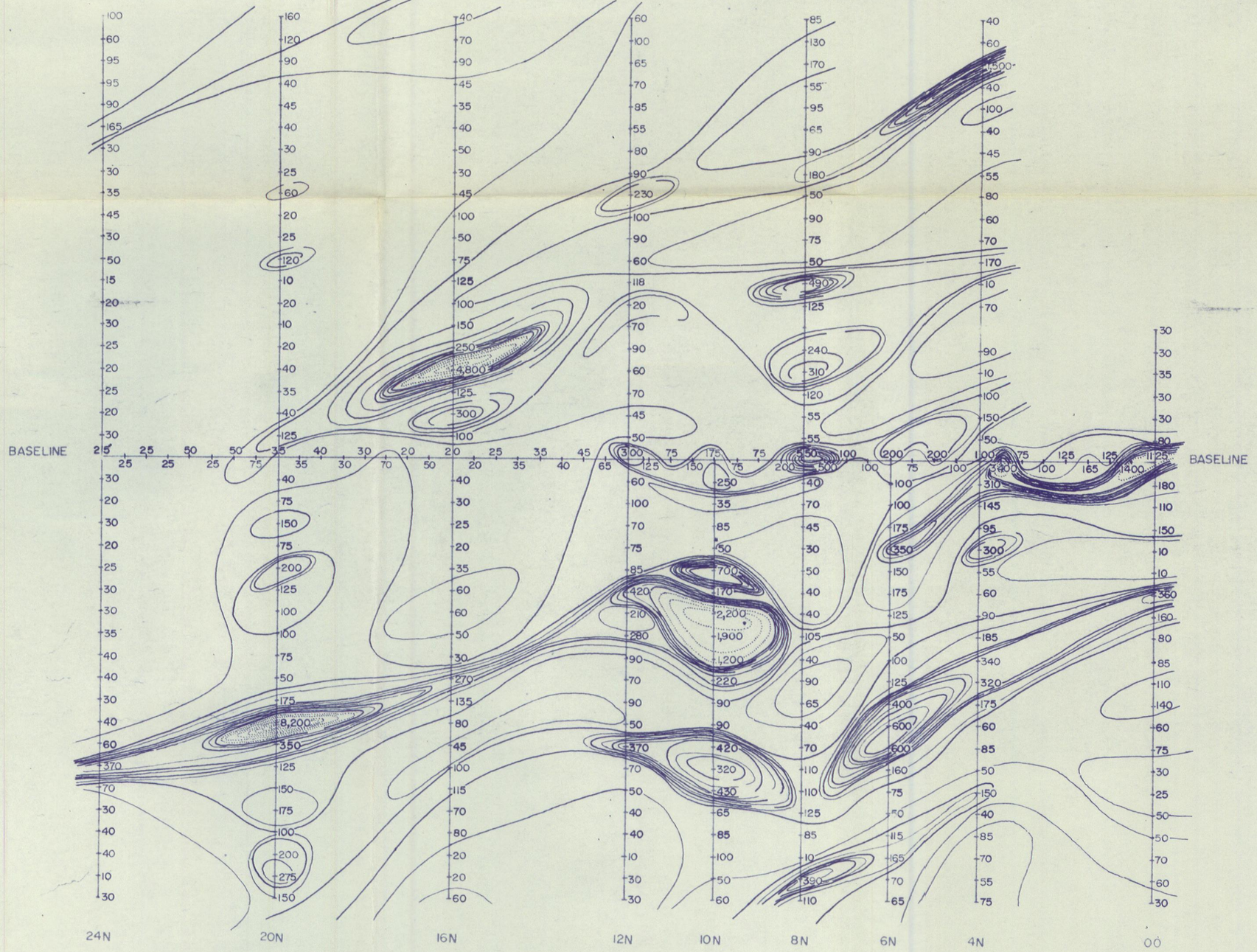
of the

MAY GROUP

MOUNT NANSEN AREA, Y.T.

ACE R. PARKER & ASSOCIATES
Mineral Industry Consultants and Contractors

DATE:	JULY 1, 1968	SEAL
SCALE:	1" = 200'	
DRAWN BY:	Bobby Patterson	
DWG. No.		



GEOCHEMICAL SURVEY

— GEOCHEMICAL LEAD ANOMALY SHOWING CONTOURED LEAD VALUES IN PARTS PER MILLION

— SURVEY CONTOURED ON A BACKGROUND OF 50 P.P.M. WITH A CONTOUR INTERVAL 50 P.P.M. —— 1000 P.P.M. .....

— 10 AVERAGE SAMPLE DEPTH AND ANALYSIS BY HOT ACID EXTRACTION AND ATOMIC ABSORBTION TECHNIQUE

ESANSEE EXPLORATION

RECONNAISSANCE GEOCHEMICAL SURVEY (LEAD PLOT)

of the

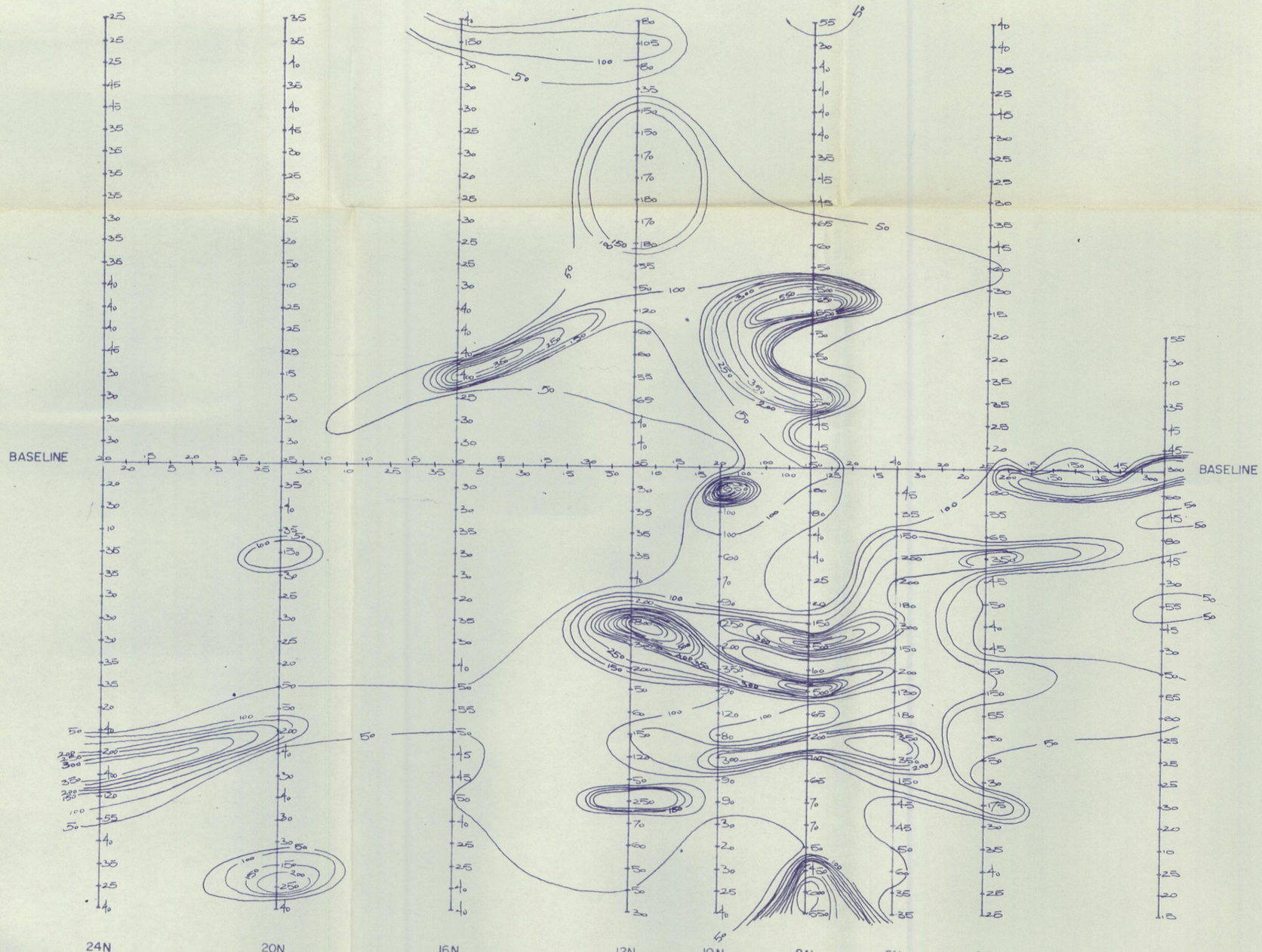
MAY GROUP

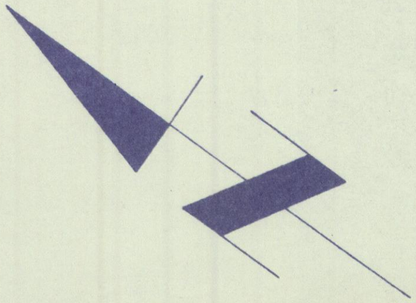
MOUNT NANSEN AREA, Y.T.

ACE R. PARKER & ASSOCIATES

Mineral Industry Consultants and Contractors

DATE	JULY 1, 1968	SEAL
SCALE	1" = 200	
DRAWN BY	Barry Peterson	
DWG Nº		





GEOCHEMICAL SURVEY

— GEOCHEMICAL ARSENIC ANOMALY SHOWING CONTOURED ARSENIC VALUES IN PARTS PER MILLION.

—SURVEY CONTOURED ON A BACKGROUND OF 50 P.P.M. WITH A CONTOUR INTERVAL 50 P.P.M.

— 10 AVERAGE SAMPLE DEPTH AND ANALYSIS BY HOT ACID EXTRACTION AND ATOMIC ABSORPTION TECHNIQUE

ESANSEE EXPLORATION

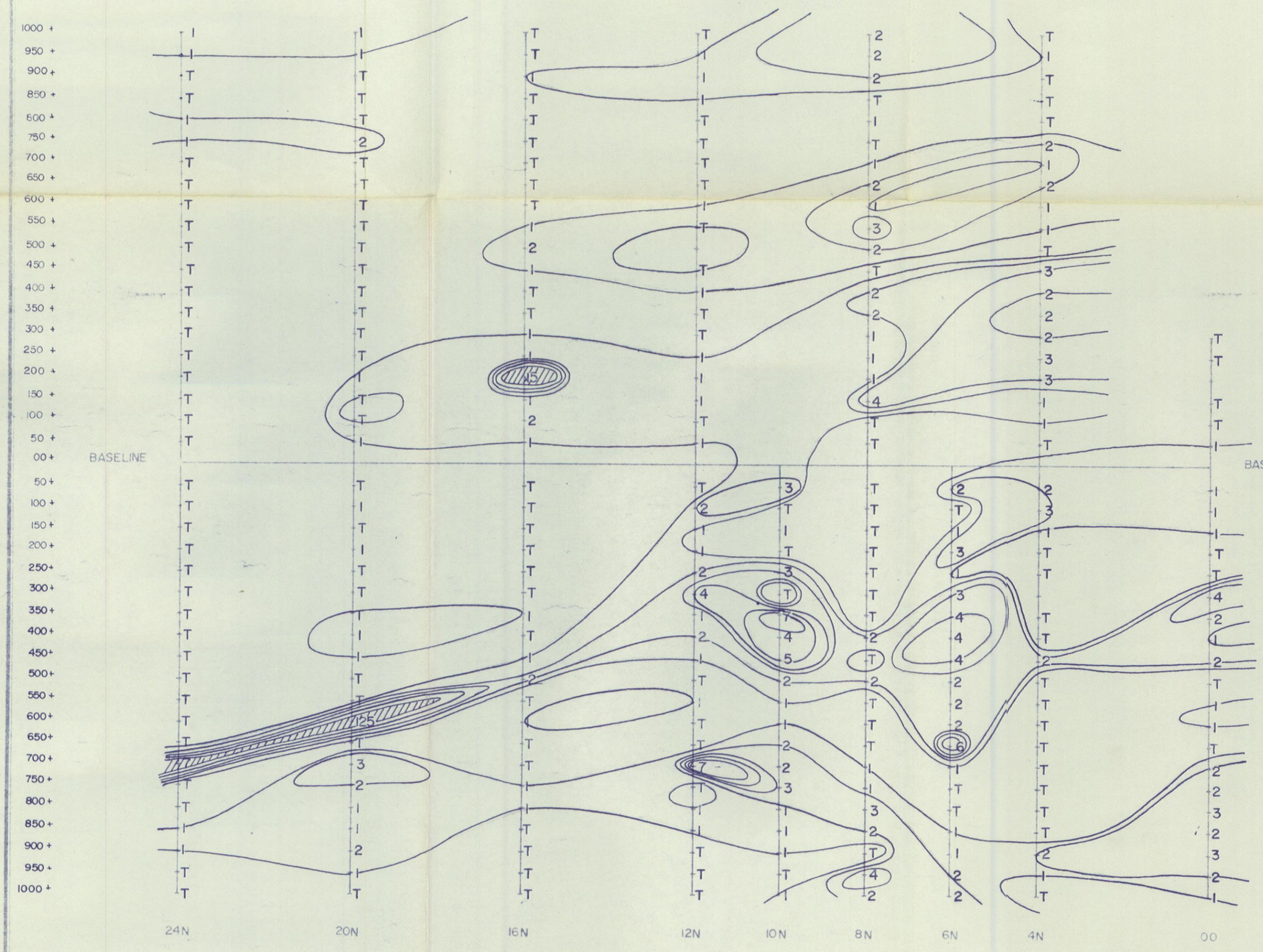
RECONNAISSANCE GEOCHEMICAL SURVEY (ARSENIC PLOT) of the MAY GROUP

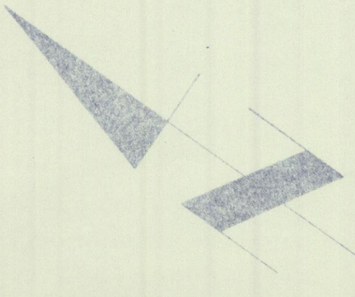
MOUNT NANSEN AREA, Y.T.

ACE R. PARKER & ASSOCIATES
Mineral Industry Consultants and Contractors

DATE:	JULY 1, 1968
SCALE:	1" = 200'
DRAWN BY:	Barry Peterson
DWG. Nº.	

SEAL





GEOCHEMICAL SURVEY

— GEOCHEMICAL SILVER ANOMALY SHOWING CONTOURED SILVER VALUES IN PARTS PER MILLION

— SURVEY CONTOURED ON A BACKGROUND OF 1 P.P.M. WITH A CONTOUR INTERVAL 1 P.P.M.

— 10 AVERAGE SAMPLE DEPTH AND ANALYSIS BY HOT ACID EXTRACTION AND ATOMIC ABSORBTION TECHNIQUE

ESANSEE EXPLORATION

RECONNAISSANCE GEOCHEMICAL SURVEY (SILVER PLOT)

of the

MAY GROUP

MOUNT NANSEN AREA, Y.T.

ACE R. PARKER & ASSOCIATES

Mineral Industry Consultants and Contractors

DATE:	JULY 1, 1968	SEAL
SCALE:	1" = 200	
DRAWN BY:		
DWG Nº		