#00004

GOLDEN GATE EXPLORATIONS LTD.

REX ASBESTOS PROPERTY

Whitehorse M.D., Y.T., 116-A-11
60° 44' N. Lat., 137° 18' W. Long.

EXPLORATION SUMMARY REPORT

for period

June to September 1969

Appendix "A" to the application of Golden Gate Explorations Ltd. (N.P.L.) executed on February 28, 1973

1 of 3

by

P.H. Sevensma, Ph.D., P.Eng.

H.S. Aikins

I. Borovic

PETER H. SEVENSMA CONSULTANTS LTD.

February 11, 1970.

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GOLDEN GATE EXPLORATIONS LTD.

REX ASBESTOS PROPERTY

Whitehorse M.D., Y.T., 116-A-11
60° 44' N. Lat., 137° 18' W. Long.

1. INTRODUCTION

This report summarizes the field exploration program completed by Golden Gate Explorations Ltd. during the summer of 1969 on the Rex Group of claims. The work consisted of overburden drilling with the Becker Hammer Drill, bedrock testing by diamond drilling to recover NX core and extensive bulldozer stripping and trenching over areas of potential interest.

2. LOCATION and ACCESS

The Rex property is located on gently rolling hills at an elevation of about 2,750', 6.4 miles East of the Haines road. Latitude is about 60° 44' N. and longitude 137° 18' W.

The property is 15.4 road miles from Haines Junction, a small community and supply center affording accommodation and required services. A tote road was constructed and improved for a length of 6.4 miles (Fig. 1) during June 1969. The tote road starts at Mile Post 150 on the Haines road. Haines Junction is located 100 miles West of Whitehorse, the Territorial Capital.

3. PROPERTY

Prior to commencement of the 1969 program the property consisted of 36 full size mineral claims, recorded as follows:-

Rex 1 to 21 incl.

Rex 31 to 40 incl.

Gina 3, 5 & 7

Asbestos 1 & 2

In addition to the foregoing, nine claims were acquired by staking: Asbestos 1 to 5 inclusive and Asbesto 13 to 16 inclusive. The approximate location of the claims is shown in Figure 2 attached. Sufficient work was completed to retain all ground in good standing.

4. GEOLOGY

The gelogical map "Dezadeash", scale 1" = 4 miles (G.S.C.) shows exposed Precambrian (partially Palaeozoic) rocks of the Yukon group, Mesozoic ultrabasic intrusives and quaternary (pleistocene and recent) fluviatile, lake and glacial sediments underlying the Rex Asbestos property.

The Yukon group includes a wide variety of schists and gneisses derived from sedimentary strata, as well as some hornblende and chlorite schists of probable volcanic origin. These rocks are thought to be of Precambrian age, and to include some altered Palaeozoic rocks.

Detailed geological features are shown on Figure 3, scale 1" = 500'.

The rocks of the Yukon group are exposed on the N.E. part of the property and they consist of chlorite schists with intercalated quartz (5" to 1' thick). Toward the S.W., contact with Mesozoic ultrabasics is covered and the relationship is not apparent. Ultrabasic rocks are exposed in the N.W. part of the Rex property. Extension of the dunite is not known. Peridotites are exposed on the surface outcrops and recovered in the diamond drilled holes. They are partially serpentinized and carry chrysotile asbestos fibre. Pyroxenite is present in holes 2 - 14, 3 - 2 and 3 - 3 only.

Quaternary sediments consist of a recent soil horizon of sand and gravel of probable lake origin and very thick Post-Pleistocene deposits of fluvio-glacial origin. Refer to Figure 4 - Columnar section.

5. STRUCTURE

The rocks of the Yukon group are closely folded and highly metamorphosed.

The strike and dip of the schistosity are oriented parallel to the original bedding.

Direction of the dragfolds axes (measured on the field) shows the same direction as the strike of beds, which means that the chlorite schists belong, structurally, to a larger, probably anticlinal structure.

The general trend of the Mesozoic and older rocks is N.W. and beds generally dip at a steep angle to the S.W. (& N.E.).

Strong faults parallel the main trend of the formations (N.W. - S.E.). These have been studied on the airphotographs, and shears and fractures, parallel with them, have been measured on the outcrops.

The other fault system is normal to the direction of the main trend and has caused horizontal and vertical movements along fault planes.

6. EXPLORATION

Previous ground magnetic surveys have been discussed in earlier reports. A close coincidence between the magnetic high and the main fibre showing on anomaly no. 2 provided guidance for much of the subsequent work. The validity of this approach is now somewhat in doubt as no further correlation has been obtained.

Earlier sampling and metallurgical results are discussed in the report of February 21, 1969 by P.H. Sevensma. Results of the test by Asbestos Corporation are noted as being significantly higher than the subsequent tests by Cassiar Asbestos Corp. Ltd. In the presence of required geological criteria for an asbestos deposit it was regarded as essential to obtain samples for further independent testing of fibre content.

The current program was initiated in an attempt to delineate and test the zone of potentially commerical fibre in anomaly no. 2 and to test other magnetic anomalies for the presence of fibre at or

TABULATION OF HAMMER DRILL DATA

AREA	HOLE NO.	LINE	STA	TOTAL DEPTH	OB DEPTH	CORE FOOTAGE
2	2 - 1	1 + 00 S	3 + 30 E	22 '	7 '	15 '
2	2 - 2	1 + 00 N	4 + 00 E	37 '	27 '	10 '
2	2 - 3	3 + 00 N	4 + 00 E	80 '	70 '	10 '
2	2 - 4	5 + 00 S	2 + 60 E	35 '	25 '	10 '
2	2 - 5	5 + 00 S	3 + 60 E	67 '	46 '	21 '
2	2 - 6	3 + 00 S	3 + 20 E	29 '	19 '	10 '
2	2 - 7	3 + 00 S	4 + 00 E	60 '	46 '	14 '
2	2 - 8	1 + 00 S	2 + 50 E	16 '	6 '	10 '
2	2 - 9	1 + 00 N	2 + 50 E	34 '	24 '	10 '
2	2 - 10	5 + 00 S	1 + 60 E	14 '	4 '	10 '
2	2 - 11	1 + 00 N	2 + 00 E	37 '	27 '	10 '
2	2 - 12	3 + 00 N	2 + 50 E	54 '	42 '	12 '
2	2 - 13	1 + 00 N	3 + 00 E	27 '	18 '	9 '
2	2 - 14	6 + 00 S	7 + 50 E	75 '	70 '	5 '
1	1 - 1	13 + 00 N	1 + 50 E	30.5 '	21 '	9.5 '
1	1 - 2	13 + 00 N	3 + 00 E	69.5 '	60 '	9.5 '
1	1 - 3	15 + 00 N	2 + 50 E	43 '	33 '	10 '
1	1 - 4	11 + 00 N	1 + 50 E	35 '	25 '	10 '
1	1 - 5	11 + 00 N	2 + 50 E	64 '	54 '	10 '
3	3 - 1	17 + 00 S	6 + 00 E	117 '	117 '	no core
3	3 - 2	17 + 00 S	5 + 00 E	122 '	112 '	10 '
3	3 - 3	16 + 00 S	6 + 00 E	104 '	94 '	10 '
3	3 - 4	19 + 00 S	2 + 00 E	105 '	105 '	no core
		TOTAL		1277 '	1052 '	225 '

NOTE : -

All The Drill Holes Are VERTICAL

The sample was submitted for evaluation tests to the Non-Metallic Minerals Section, Department of Natural Resources, Quebec City, P.Q. Test results are reported as Project No. 610, Sample No. 1. A copy of the test report is enclosed as Appendix "A".

Sample weights were based only on the amount of core available and no attempt at weighting based on volume of material in place is implied. This sample is only a grab of mineralized core intended to give an approximation of the fibre values present in that portion of the zone outlined on figure 5 which is in close proximity to these holes.

Figures No. 5 and 6 illustrate the indicated relationship and extent of the fibre zone defined by work completed to date. Extensive testing of this zone would be required to establish an average fibre grade.

9. PROGRAM SUMMARY

Cross fibre chrysotile asbestos of excellent quality is found in what appears to be a fault block which offsets a tabular zone of serpentinized peridotite. The sub-outcrop area is shown to be somewhat limited although the absence of outcrop and the shallow hole data provide insufficient information on the shape, structure and lateral extent of the serpentinized zone. The higher fibre grades and substantially higher values obtained in the most recent test of the No. 2 anomaly (main zone) suggests that deeper testing be carried out.

Drilling on anomalies 1 and 3 failed to intersect any fibre values. Anomaly no. 1 was found to consist of fg. peridotite with disseminated magnetite. Overburden cover ranged from 21 to 60 feet in depth.

Completed holes on anomaly 3, and hole 2-14, intersected fresh cg. pyroxenite under deep overburden.

Lateral limits of the serpentinized zone have now been established between 6+00 S and 3+00 N. While contacts appear gradational and fibre content is variable, it is within this zone that the known potential exists. The structure is open at both ends and the nature of the lower contact is unknown.

The most recent test, and prevailing fibre prices suggest that part of the zone at least would prove economic if adequate tonnage could be established.

Five years of sustained production at an annual rate of 25,000 tons of fibre per year grading $200. per ton would be a near minimum objective. With an average grade of 4% recoverable fibre a reserve of 3.125 million tons would be required. The foregoing estimate assumes firm sales contracts for all production and near optimal mining and milling conditions.

10. RECOMMENDATIONS

Completion of the trench on section 1+00 north to expose the outcrop across the width of the fibre zone and a similiar trench on section 1+00 south would permit a weighted bulk sample to be obtained. Any material improvement over previous results would warrant a sampling method capable of recovering a representative sample at depths of at least 350 feet. A dry drilling method would be desirable if suitable sampling techniques can be employed.

Diamond drilling, primarily for structure and lithology, from drillsites on the outcrop exposed by trenching would be required to confirm the extension of the zone in the northwesterly and southeasterly directions.

A review of indicated and inferred reserves at this point would provide a basis for further recommendations.

The potential for a small tonnage, medium grade deposit, close to transportation and established services is clearly present.

While the possibility of substantial added tonnage should not be discounted, the expenditure on exploration is better deferred until the present zone has been evaluated.

11. ESTIMATED COST

Bulldozer Trenching, 150 hours @ $50.00 per hour	$ 7,500.00
Rotary Drilling, 1,000 feet @ $15.00 per foot, all incl.	15,000.00
Core Drilling, 1,000 feet @ $15.00 per foot, all incl.	15,000.00
Sampling & Metallurgical Evaluation	1,000.00
Engineering & Supervision	2,500.00
Administration & Overhead	4,000.00
	$45,000.00
Contingency Allowance	5,000.00
Recommended Budget	$50,000.00

Respectfully Submitted,

H.S. Aikins

for/ I. Borovic & H.S. Aikins

Endorsed: P.H. Sevensma

P.H. Sevensma, Ph.D., P.Eng.

CERTIFICATE

I, PIETER H. SEVENSMA, of 908, 1280 Haro Street, in the City of Vancouver, in the Province of British Columbia, DO HEREBY CERTIFY:

1. THAT I am a Consulting Geologist with a business address at 715 - 850 West Hastings Street, in the City of Vancouver, in the Province of British Columbia.

2. THAT I am a graduate of the University of Geneva, Switzerland (Physics and Chemistry, 1937; Geology and Mineralogy, 1937) where I obtained my Ph.D. in Geological and Mineralogical Sciences in 1941.

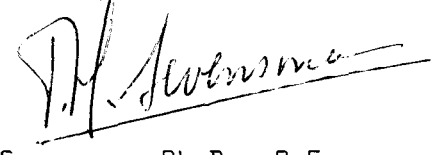
3. THAT I am a Registered Professional Engineer in the Geological Section of the Association of Professional Engineers of the Province of British Columbia and of the Association of Professional Engineers of the Yukon Territory.

4. THAT I have practiced my profession as a geologist for the past 30 years.

5. THAT I have examined the Rex property in 1962 and 1963 and have supervised a program of exploration on this property for Cominco Ltd. in 1963; all reports available on subsequent work have been studied by me. The program of work discussed in this report was conducted under my supervision and I had occasion to examine the field operation and representative sections of the D.D. core recovered.

6. THAT I have no interest in any of the properties or securities of Golden Gate Explorations Ltd., and do not expect to receive or acquire any.

Respectfully submitted,



P.H. Sevensma, Ph.D., P.Eng.

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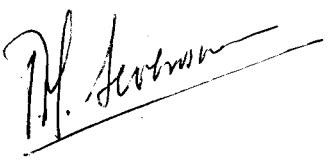


QUEBEC DEPARTMENT OF NATURAL RESOURCES

26.1.39

PILOT PLANT

ASBESTOS SECTION

Project No. : 610-1 Lot No. : 1

Customer : P.H. Sevensma Consultants Ltd.
715 -850 West Hastings St.
Vancouver 1, B.C.

Diamond drill hole No. :

Length of core :

Date received :

Date processed : January 12, 1970

Description of sample : D.D. Core

REMARKS :

WASH TEST
% -200 m

Product No 1 = 33.1%
" No 2 = 38.9%
" No 3 = 77.1%

Quebec : JANUARY 12, 1970 By : G. Foy, Eng.

26.1.40

QUEBEC DEPARTMENT OF NATURAL RESOURCES

PILOT PLANT

ASBESTOS SECTION

#1

T E S T R E S U L T S

610-1		Lbs	Ounces	%
NET WEIGHT OF SAMPLE		128.00	2048.0	
Product #1			28.4	1.39
" #2			70.2	3.43
" #3			32.4	1.58
" #4				
" #5				
TOTAL FIBRE			131.0	6.40
Rejects #1	+ 35 m		928.0	45.31
" #2	- 35 m		900.0	43.95
" #3				
" #4				
" #5				
TOTAL REJECTS			1,828.0	89.26
DUST			72.0	3.51
LOSS			17.0	0.83
GRAND TOTAL			2,048.0	100.0

FIBRE CLASSIFICATION

Q U E B E C S T A N D A R D T E S T

	1/2"	4 m	10 m	35 m	Pan
Product #1		10.9	3.4	0.6	1.1
" #2		2.1	8.9	2.9	2.1
" #3			3.7	6.6	5.7
" #4					
" #5					

Quebec: JANUARY 12, 1969

By: G. FOY, ENG.

QUEBEC DEPARTMENT OF NATURAL RESOURCES

Pilot Plant

Project No 610 Customer : P.H. Sevensma

Sample : 1 Hole : _____

Preliminary Evaluation

Weight of Sample 128 lbs. = 2048 oz.

Core recovery at lbs./ft. _____ = _____ %

Fibre recovered 131 oz. 6.4 %

No. 1 Fibre

Weight 28.4 oz. 1.39 %

	1/2	1/4	10	35	Pan	
Quebec Standard Test		10.9	3.4	0.6	1.1	
Points		436 + 34 + 2				= 472

Value per ton fibre $ 326

Value per ton rock 326 X 1.39 = $ 4.53

No. 2 Fibre

Weight 70.2 oz. 3.43 %

	1/2	1/4	10	35	Pan	
Quebec Standard Test		2.1	8.9	2.9	2.1	
Points		84 + 89 + 5				= 178

Value per ton fibre $ 195

Value per ton rock 195 X 3.43 = $ 6.69

No. 3 Fibre

Weight 32.4 oz. 1.58 %

	1/2	1/4	10	35	Pan	
Quebec Standard Test			3.7	6.6	5.7	
Points			37 + 12			= 49.

Value per ton fibre $ 63

Value per ton rock 63 X 1.58 = $ 0.99

Total Value Per Ton Rock ..... $ 12.21

TYPICAL SECTION THROUGH OVERBURDEN ON THE

REX ASBESTOS PROPERTY - HAINES JUNCTION Y.T.

humus - black to dark brown

light brown silt and soil

light gray soil horizon mixed with pebbles (10%)

gray-yellowish oxidized horizon consists of

sand, gravel, very fine clay

glacial sediments

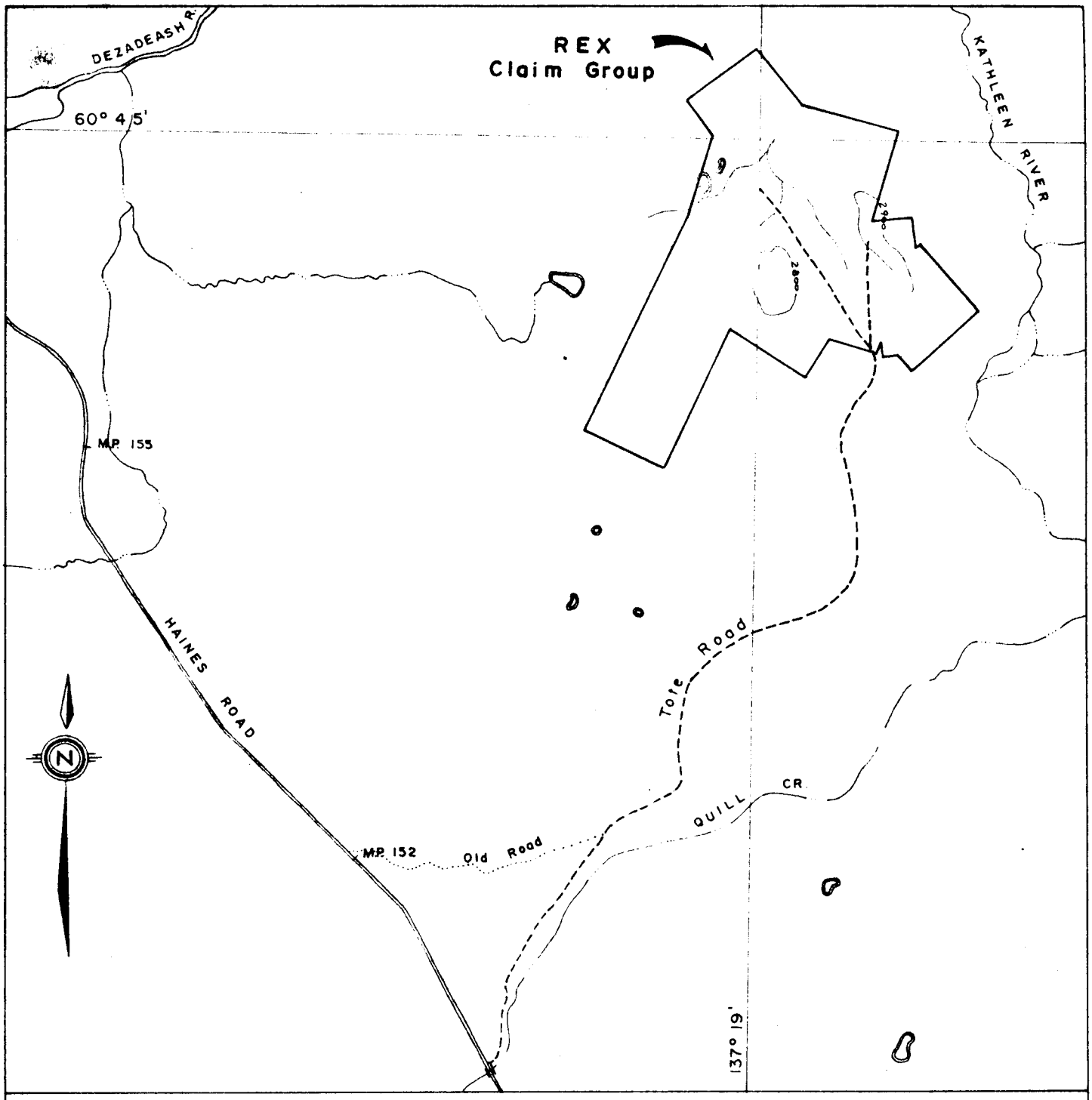
sand, clay, pebbles, cobbles and bounders of different rocks -- granite, granodiorite, argillite, micaschists, quartz, peridotite. Peridotite pebbles occurs above bedrock.

1. Note: Glacial till is penetrated only in hole No. 2-2, 2-3, 2-5 (thickness approximately 6' - 10')

2. Note: One foot above bedrock in hole No. 2-9 and hole No. 2-11 occur fragments of serpentinized peridotite and asbestos fibre.

scale 1" = 10"

FIG. 4



P. H. Sevensma

GOLDEN GATE EXPLORATIONS LTD. (NPL)	
Approximate Location of the Tote Road built during 1969	
Whitehorse M.D.—Y.T.	115 – A – 11
P. H. Sevensma Consultants Ltd. Vancouver, B.C.	
Dwg. No. Fig. 1	Aug. 1969, Scale 1:50000 (1" = 4167')

GOLDEN GATE EXPLORATIONS LTD.

REX ASBESTOS PROPERTY

Whitehorse M.D.-Y.T. 115-A-11

P. H. Sevensma Consultants Ltd. Vancouver, B.C.

Dwg. No. Fig: 2 February 1969, Scale 0 1/2 1mi.

LEGEND

CENOZOIC

Quaternary (Pleistocene and Recent)
Fluviatile, lake deposits and Moraine material.

MESOZOIC

1 2 3 — Pyroxenite (1) Peridotite Dunite (2), serpentinised Peridotite with chrysotile fibre (3).

PRECAMBRIAN PARTIALLY PALAEOZOIC

Yukon Group
Chlorite schists

82° — Bedding

Fracture (vertical)

Geological Boundary (approximate)

Fault (assumed)

• 2-1 — Drill hole location

Tote Road

Trench

Drag Fold.

29+00 S
28+00 S
27+00 S
25+00 S
23+00 S
19+00 S
17+00 S
15+00 S
6+00 S
5+00 S
3+00 S
1+00 S
0+00
1+00 N
3+00 N
11+00 N
13+00 N
15+00 N

82°
85°
85°
75°
83°
85°

GOLDEN GATE EXPLORATIONS LTD. (NPL)

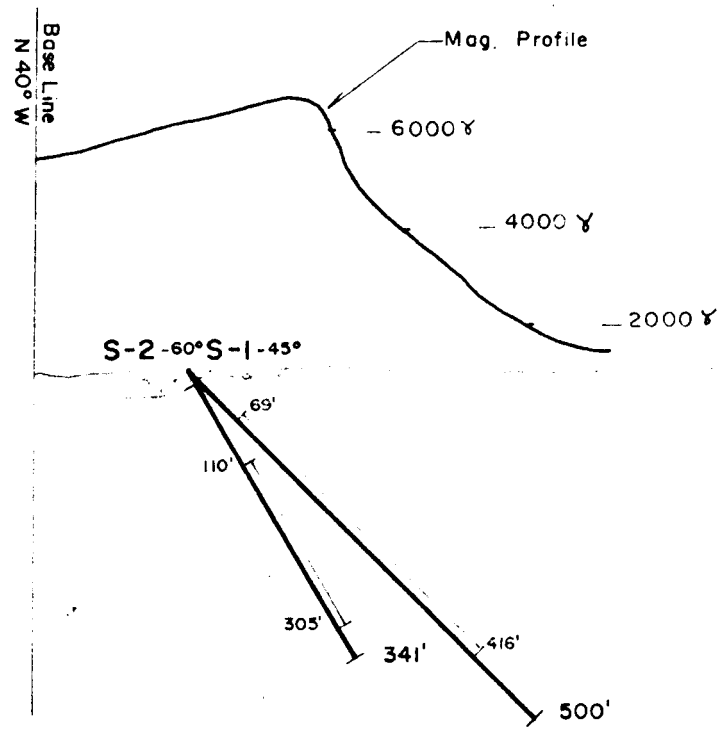
GEOLOGICAL MAP WITH DRILL HOLES

Whitehorse M.D. – Y.T. 115 – A – 11

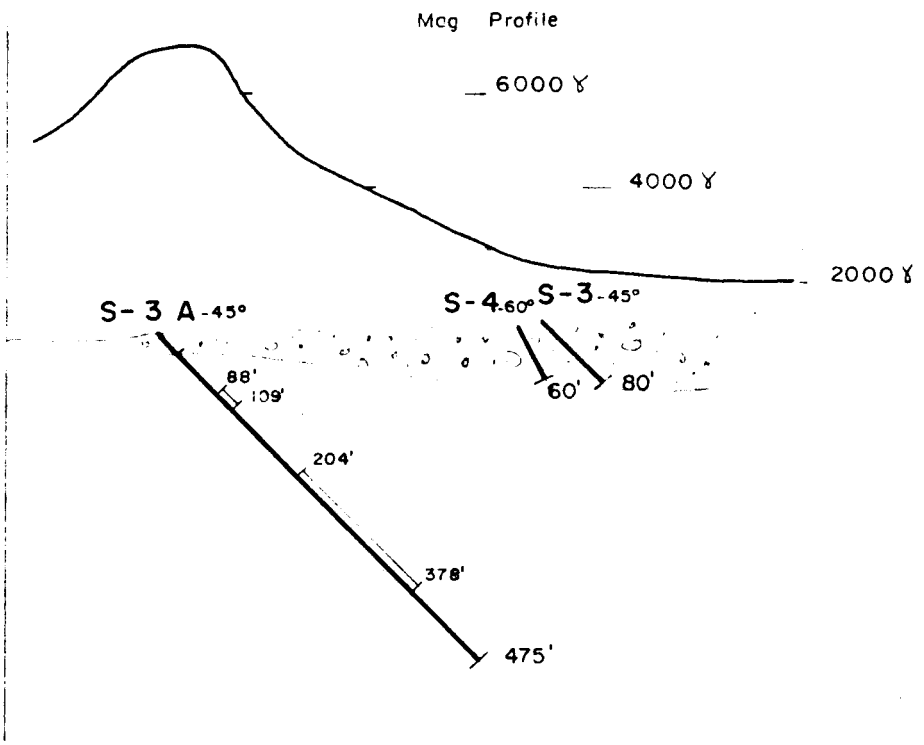
P. H. Sevensma Consultants Ltd. Vancouver, B.C.

Dwg. No. Fig: 3

Aug. 1969, Scale: 0 500'



ANOMALY II
Section 1+00 North



ANOMALY II
Section 3+00 North

LEGEND

Significant Fibre intersected.

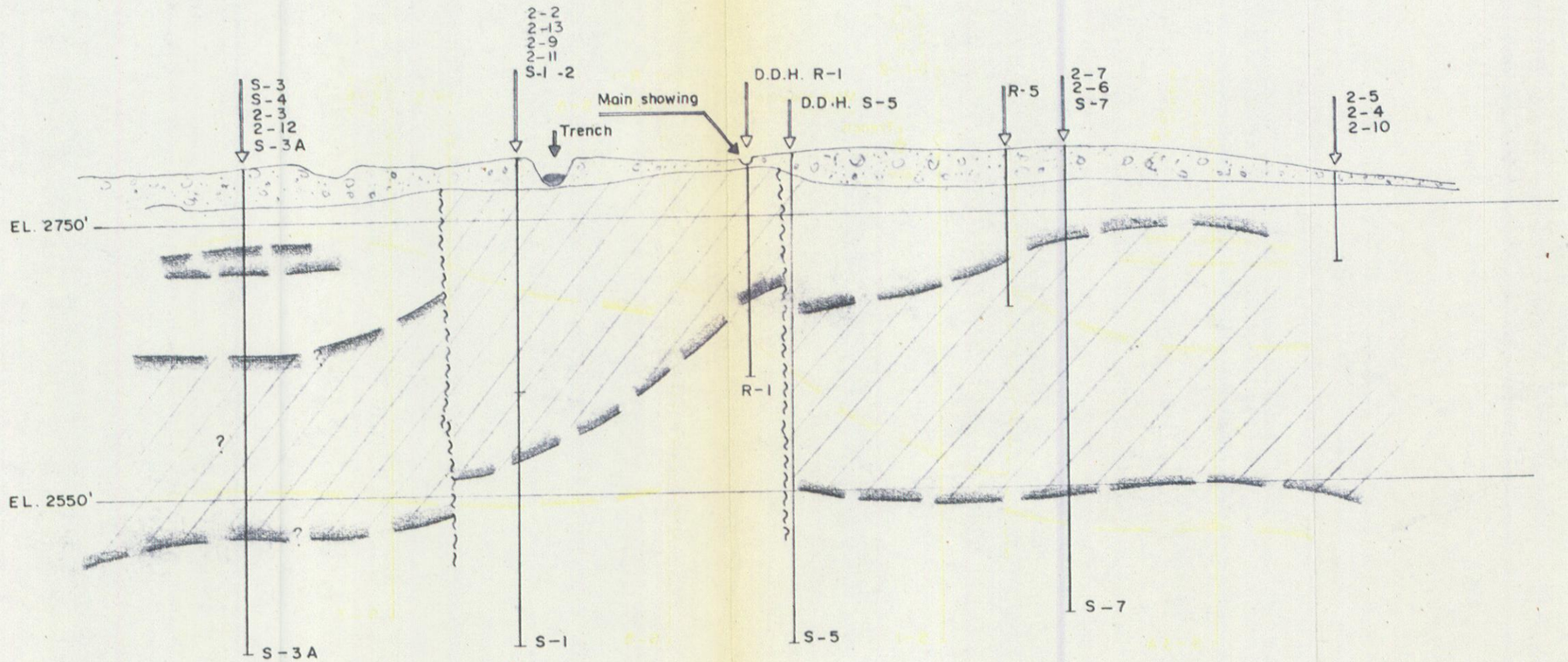
DRILLING SECTION
S-1, S-2, S-3, S-3A, S-4.
N 40° W

GOLDEN GATE EXPLORATIONS LTD.
REX GROUP
Whitehorse M.D.—Y.T. 115—A—11
P. H. Sevensma Consultants Ltd. Vancouver, B.C.

Dwg. No. Fig: 4
Feb. 1969 Scale: 0 200'

N 40° W

S 40° E



COMPOSITE GEOLOGICAL SECTION

(Structure inferred)

LEGEND

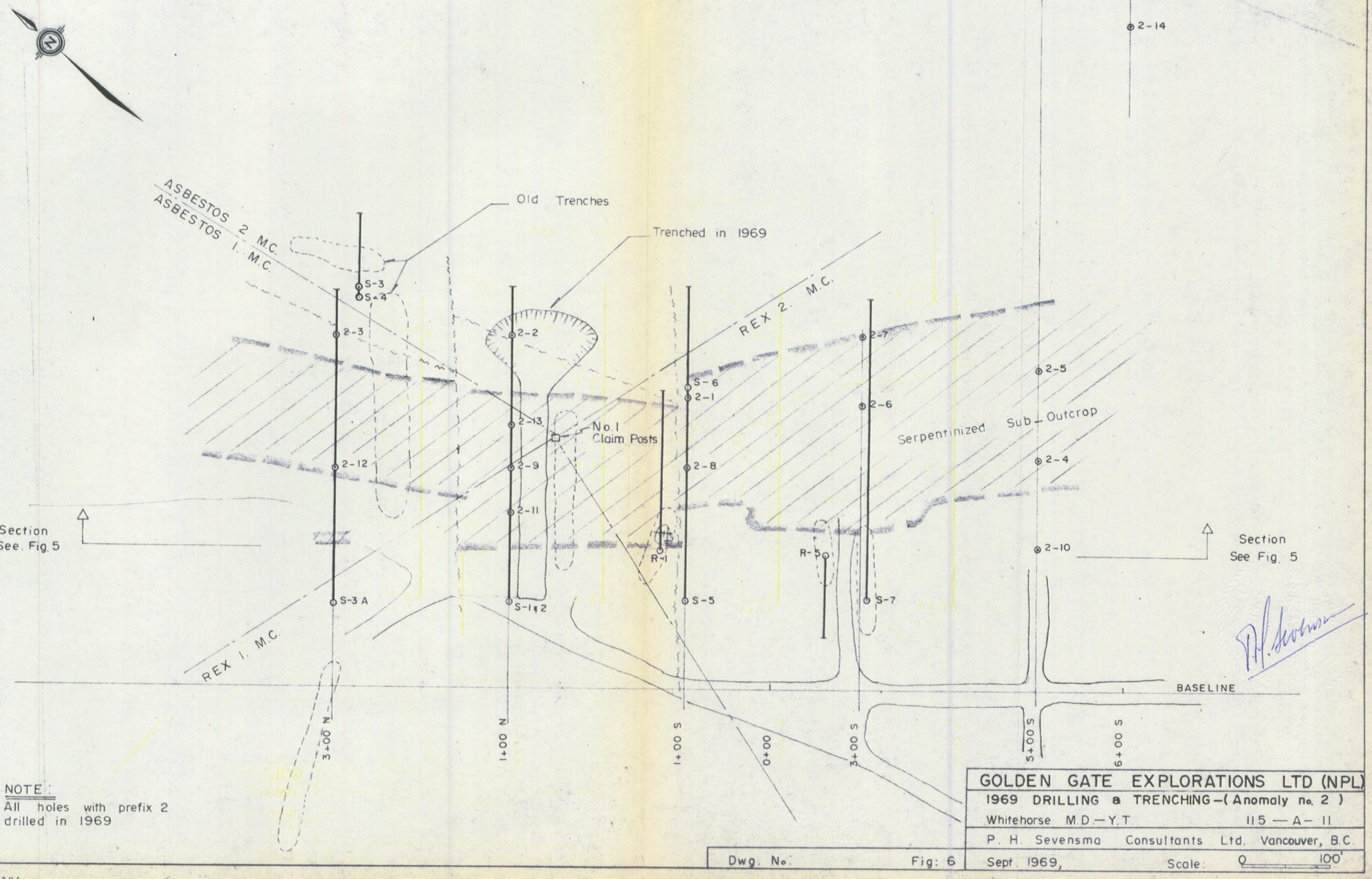
Serpentinized Peridotite, chrysotile veining.

Peridotite, minor serpentine along fractures some magnetite.

~~~~~ Faulting, inferred from surface lineaments and evidence of shearing in core.

GOLDEN GATE EXPLORATIONS LTD.	
LONGITUDINAL SECTION — ANOMALY no. 2	
Whitehorse M.D.—Y.T	115 — A — 11
P. H. Sevensma Consultants Ltd. Vancouver, B.C.	
Nov. 1969	Scale: 0 100'

Dwg. No. Fig: 5
~~~~~



NOTE:
All holes with prefix 2 drilled in 1969

GOLDEN GATE EXPLORATIONS LTD (NPL)

1969 DRILLING & TRENCHING—(Anomaly no. 2)

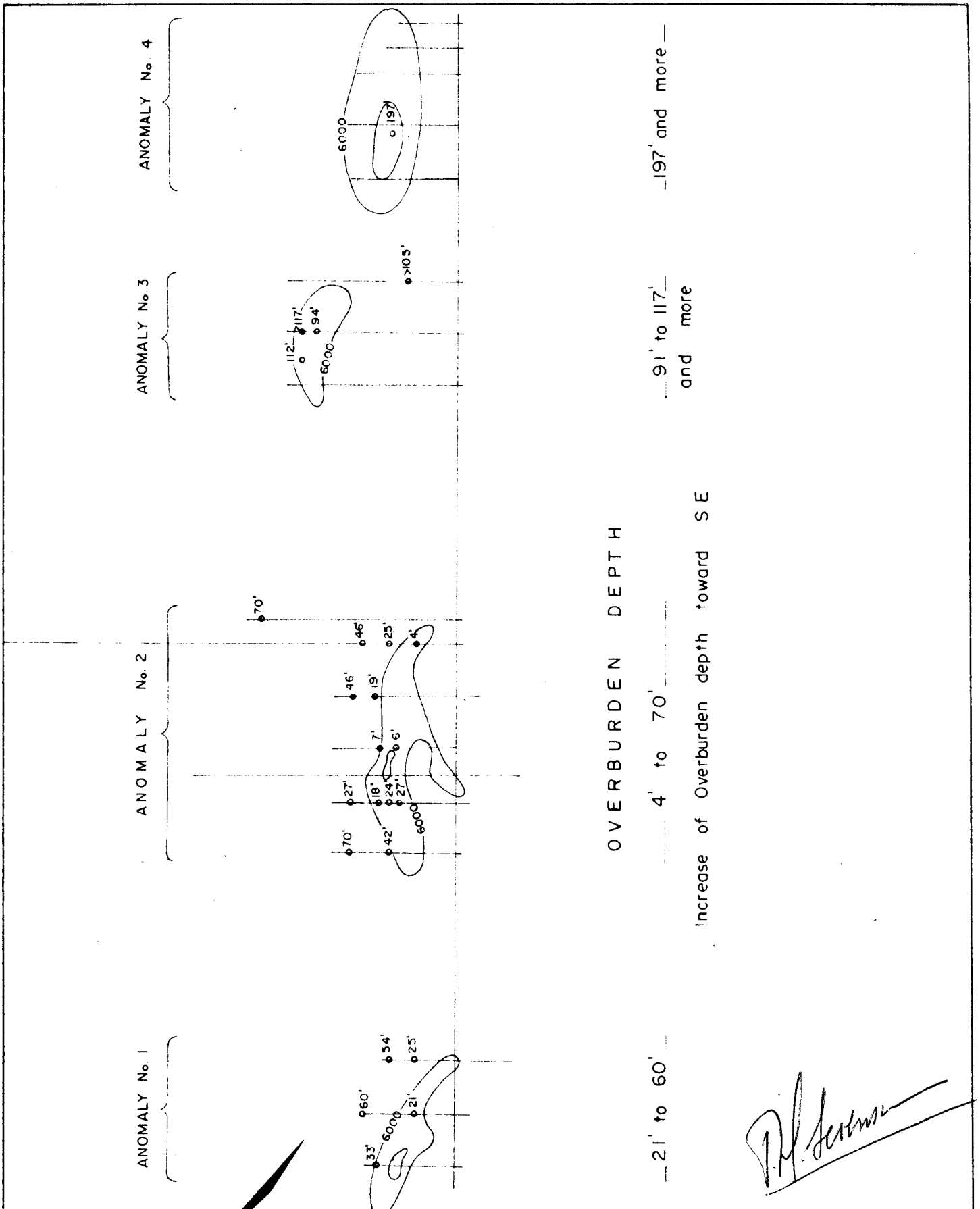
Whitehorse M.D.—Y.T. 115—A—11

P. H. Sevensma Consultants Ltd. Vancouver, B.C.

Dwg. No. Fig: 6

Sept. 1969, Scale: 0 100'

BCIL 2604 P.H.S.



GOLDEN GATE EXPLORATIONS LTD. (NPL).

Map showing Mag. Anomalys and Overburden depth.

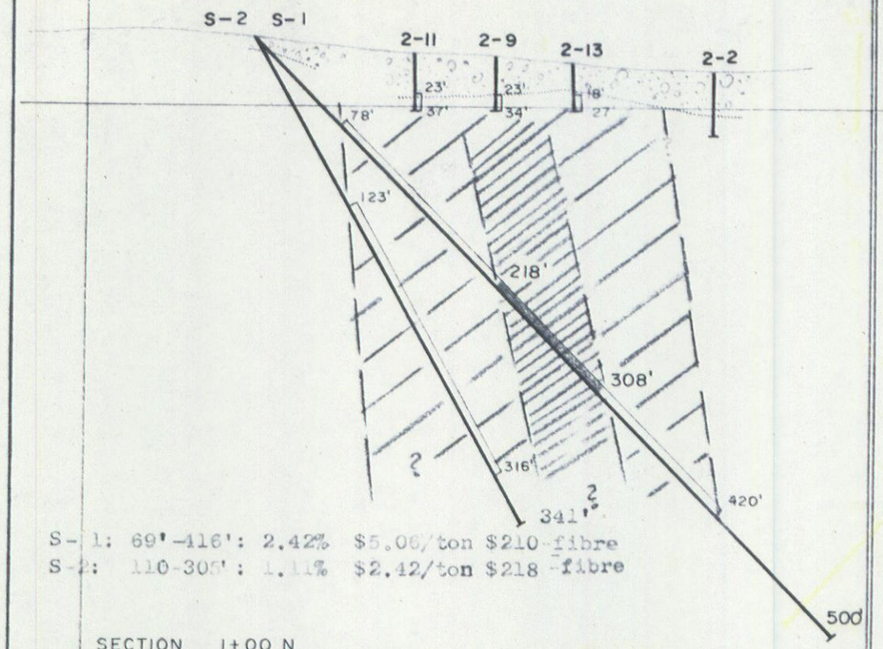
REX PROPERTY

Whitehorse M.D. — Y.T. 115 — A — 11

P. H. Sevensma Consultants Ltd. Vancouver, B.C.

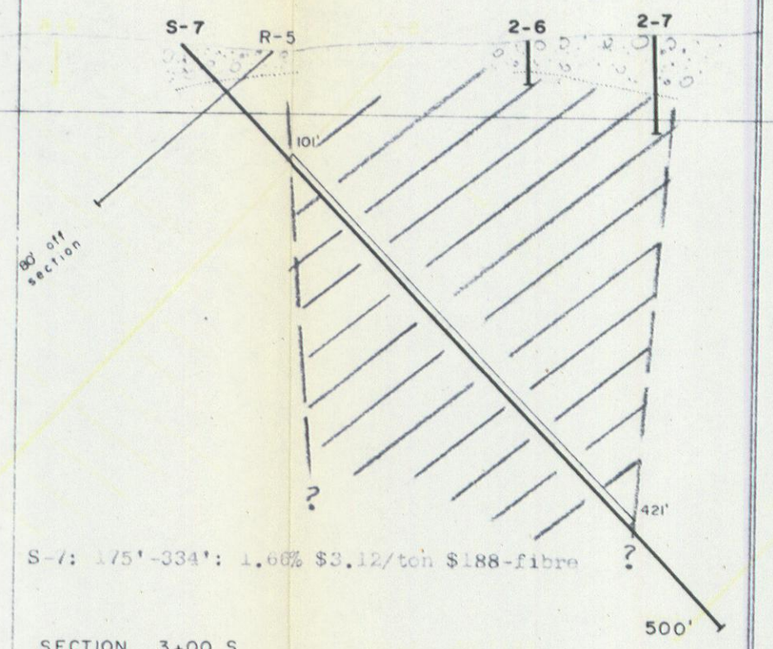
Dwg. No. Fig: 7

Sept 1969, Scale: 0 500'



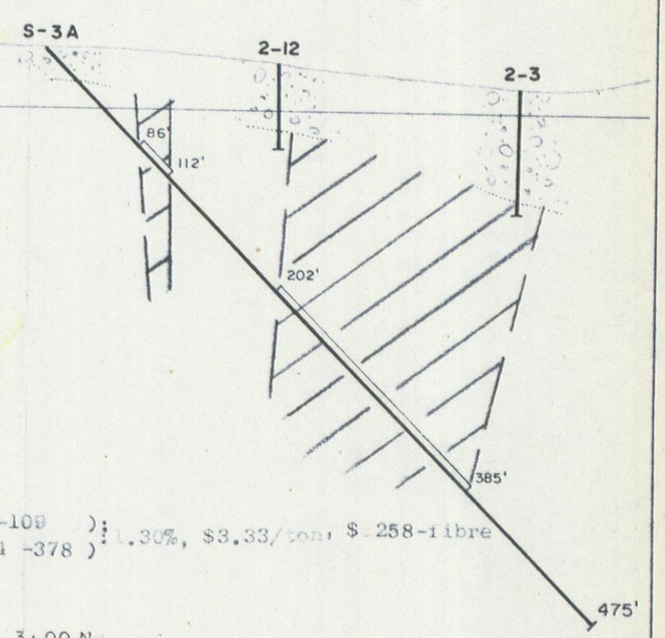
S-1: 69'-416': 2.42% $5.06/ton $210-fibre
S-2: 110-308': 1.11% $2.42/ton $218-fibre

SECTION 1+00 N



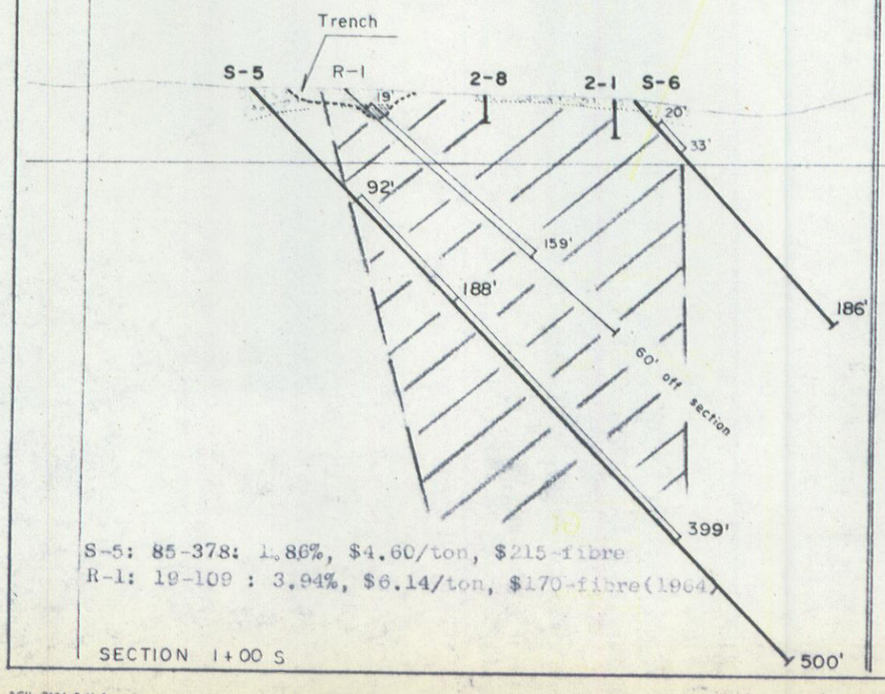
S-7: 175'-334': 1.66% $3.12/ton $188-fibre

SECTION 3+00 S



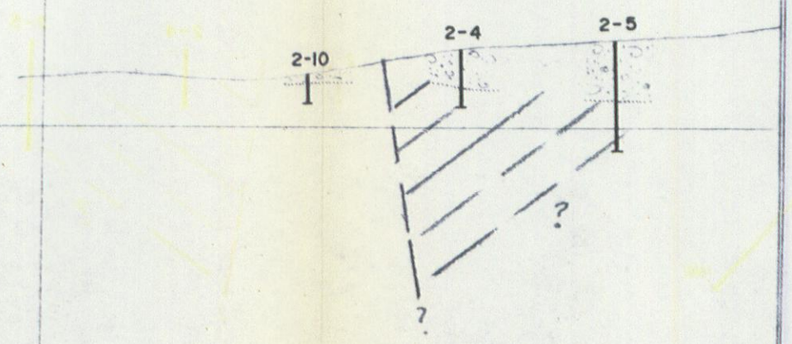
88-109); 1.30%, $3.33/ton, $.258-fibre
S-3A: 204-378)

SECTION 3+00 N



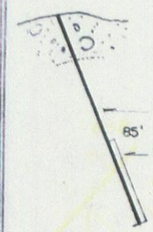
S-5: 85-378: 1.86%, $4.60/ton, $215-fibre
R-1: 19-109 : 3.94%, $6.14/ton, $170-fibre(1964)

SECTION 1+00 S



SECTION 5+00 S

L E G E N D



Surface — Aproximate profile
Overburden

— See log for lithology

— Intersection of significant fibre content — by analysis.

"R" Series holes — Drilled by Cominco 1963
"S" Series holes — Drilled by Golden Gate 1966
"2" Series holes — Drilled by Golden Gate 1969 (O.B. Drill + NX core)

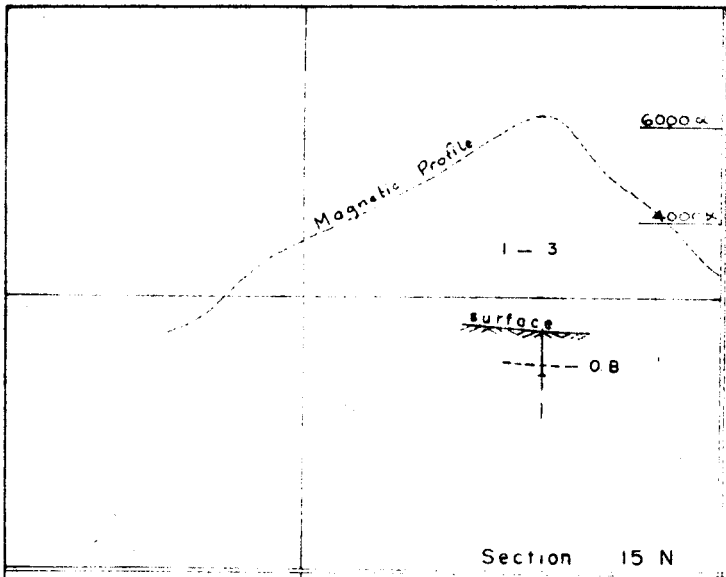
Serpenhnized Peridotite, chrysotile

P. H. Sevensma

GOLDEN GATE EXPLORATIONS LTD.	
DRILL SECTIONS, ANOMALY No. 2	
Whitehorse M.D.—Y.T.	115-A-11
P. H. Sevensma Consultants Ltd. Vancouver, B.C.	
Sept. 1970	Scale: 0 100'

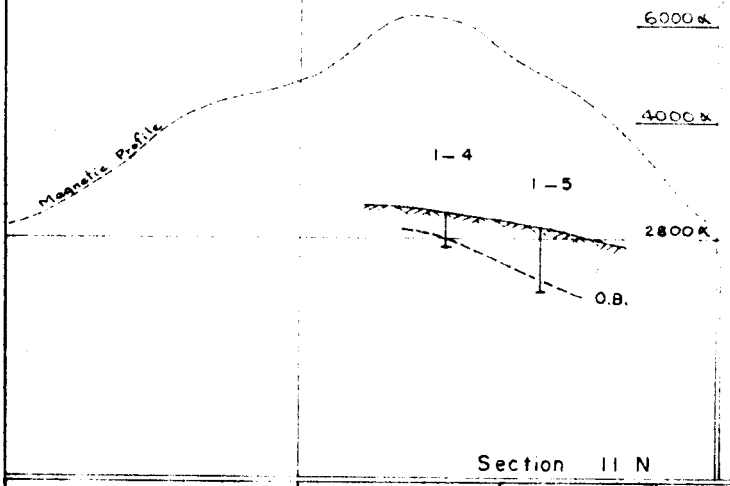
Dwg. No. Fig: 8

BCII 2604 P.H.S

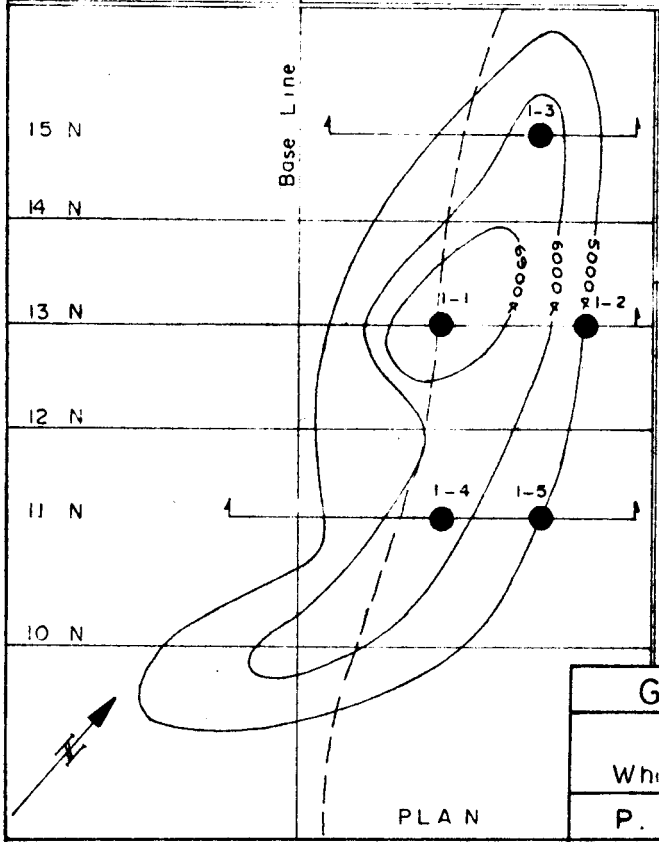


Section 15 N

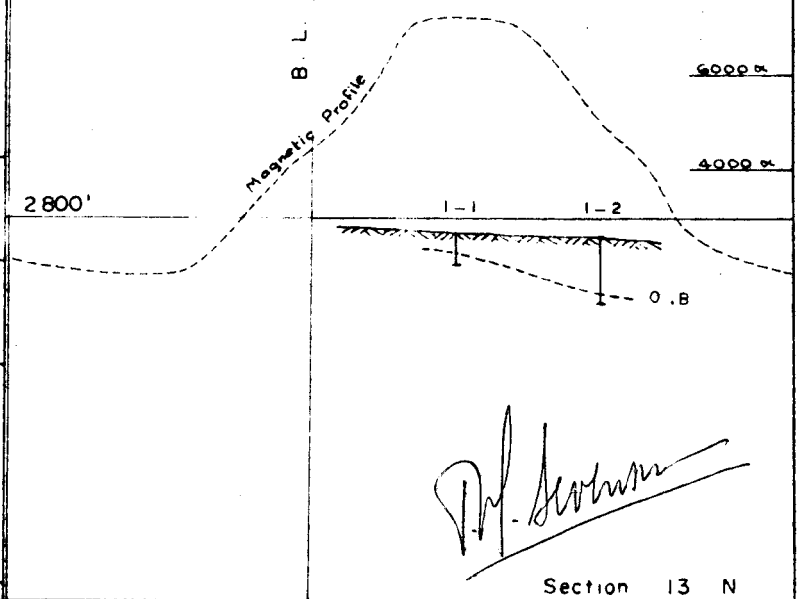
All holes stopped in fg. Dark Peridotite



Section 11 N



PLAN



Section 13 N

GOLDEN GATE EXPLORATIONS LTD.

DRILL SECTIONS — No. 1 Anomaly
Whitehorse M.D.— Y.T. 115 — A-11

P. H. Sevensma Consultants Ltd. Vancouver, B.C.

Dwg. No. Fig: 9 | May 1969 | Scale: 0 200

#00004

GOLDEN GATE EXPLORATIONS LTD.

REX ASBESTOS PROPERTY

115-A-11, Whitehorse M.D., Y.T.

SUPPLEMENT TO REPORT OF FEBRUARY 11, 1970

Grade Estimates and Testing Data Holes S-1 to S-7

Appendix "A" to the application of Golden Gate Explorations Ltd. (N.P.L.) executed on February 28, 1973

2 of 3

by

P.H. Sevensma, Ph.D., P.Eng.

PETER H. SEVENSMA CONSULTANTS LTD.

September 9, 1970.

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ILLUSTRATION

GOLDEN GATE EXPLORATIONS LTD.

REX ASBESTOS PROPERTY

115-A-11, Whitehorse M.D., Y.T.

SUPPLEMENT TO REPORT OF FEBRUARY 11, 1970

Grade Estimates and Testing Data Holes S-1 to S-7

1. INTRODUCTION

Additional data have recently been located regarding the results of the 1966 drilling conducted by Golden Gate Explorations Ltd. on its Rex Asbestos Prospect under supervision of J. Sullivan, P. Eng.

Some of the drill results have been examined by W.G. Stevenson in July 1966 on behalf of Asarco and in October 1966, Newmont Mining Corp. had a brief option on the property and had about 1500 lbs. of core tested by Cassiar Asbestos.

Although some of the data are not completely identifiable as to who originated the various actions, they are believed to add significantly to an assessment of the Rex Asbestos Prospect.

This complementary report summarizes the additional data, which show that within a fair-sized body of about $3.50 - $4.00 per ton, there are higher grade sections of the order of $10.00 - $15.00 per ton or possibly higher.

2. SUMMARY of 1966 DRILL LOGS, REX ASBESTOS PROSPECT

by JOS. SULLIVAN, AUGUST 20, 1966

	From	To	Length	Description
S-1	0'	16'	16'	Overburden.
	16'	45'	29'	Med. grained peridotite.
	45'	65'	20'	Serpentinized peridotite.
	65'	442.5'	377.5'	Serp. with irregular ribbons of chrysotile.
	442.5'	472'	29.5'	Breccia with minor indications of fibre.
	472'	495'	23'	Chiefly greenstone.
	495'	500'	5'	Kaolinized diorite (?).
	500'		(500.0')	End of hole.
S-2	0'	13'	13'	Overburden.
	13'	78'	65'	Med. grained peridotite.
	78'	341'	263'	Serpentinized peridotite. with irreg. ribbons of chrysotile.
	341'		(341')	End of hole.
S-3A	0'	30'	30'	Overburden.
	30'	70'	40'	Weakly serpentinized.
	70'	110'	40'	Weakly serpentinized, minor chrysotile.
	110'	205'	95'	Weakly serpentinized, no fibre.
	205'	355'	150'	Weakly serpentinized, various fibre.
	355'	422.5'	87.5'	Weakly serpentinized, minor fibre.

....

	From	To	Length	Description
S-3A (Cont'd)	442.5'	472'	29.5'	Patchy breccia.
	472'	475'	3'	Altered basic dyke, possibly a fault.
	475'		(475.0')	End of hole.
S-5	0'	18'	18'	Overburden.
	18'	92'	74'	Relatively fresh peridotite.
	92'	399'	307'	Serp. peridotite with chrysotile.
	399'	500'	101'	Patchy breccia, some greenstone, much talc in fractures.
	500'		(500.0')	End of hole.
S-6	0'	18'	18'	Overburden.
	18'	40'	22'	Broken serp. peridotite, recovery, 60%.
	40'	50'	10'	Kaolinized breccia.
	50'	186'	136'	Mixed flow breccia.
	186'		(186.0')	End of hole.

No fibre worth testing and no test made by Cassiar Asbestos.

S-7	0'	31'	31'	Overburden.
	31'	101'	70'	Peridotite, only weak Serp.
	101'	421'	320'	Serp. peridotite, various chrysotile.
	421'	448'	27'	Serp. peridotite, no fibre.
	448'	500'	52'	Patchy breccia, minor greenstone.
	500'		(500.0')	End of hole.

Core-size of all these holes is said to be AX, but there is no specific record of this fact.

3. SUMMARY of ESTIMATED GRADES in 1966 DRILLING

Grade estimates were originally recorded by J.W. McCarthy, and reported August 18 - 20, 1966 by J. Sullivan. These estimates are in percent of fibre and are throughout lower than the Cassiar test results. Subsequently, dollar-values in Canadian dollars, 1965 values, were calculated in September 1966, but there is no signature on these estimates and the author of these is not recorded anywhere.

In a report dated July 15, 1966, by W.G. Stevenson, who examined the progress of drilling on behalf of Asarco July 5 - 11, 1966, the following dollar estimates are made:

Hole No.	From	To	Length	% Fibre	Ore, $/ton	Fibre Value
S-1	160'	416'	256'	1.8	3.99	226.00
S-5	163'	369'	206'	1.4	3.44	231.00
Average			231'	1.6	3.71	228.00

The grade ditribution is not uniform, and higher grade sections in these various estimates are as follows:

	McCarthy	Dollar estimate X	W.G. Stevenson
S-1	218 - 308: 2.1%	218 - 308: $7.63	230 - 300: 2.9%
S-2	243 - 263: .9%	243 - 263: $3.50	-
S-3[A]	-	-	-
S-5	168 - 188: 3.0%	168 - 188: $12.33	163 - 200: 2.0%
S-7	Quite uniform	176 - 186: $5.99	-

4. SAMPLE HANDLING

Core was collected by or for Newmont Mining Corporation about October 12th, 1966 and forwarded to Cassiar Asbestos Corporation, who have reported detailed and summary results between October 18th and 27th, 1966.

The core was shipped whole in bags and Cassiar recorded the weight of each sample. The footages of core submitted have been reported by Mr. D.M. Cannon in a letter to Golden Gate Explorations Ltd., dated October 11, 1966.

Alternating five foot sections of core were taken from each of the holes sampled, so that the final sample is comprised of 50% of the available core.

The footages as recorded in Mr. Cannon's letter to the company have been recorded in table 1. There is a marked discrepancy between the footages and weights as reported, from about 4 lbs. per foot of core in S-7 down to 1.75 lbs. per foot in S-3^{A} and S-1.

5. SAMPLING TECHNIQUES

Results are reported for recovery %, Bauer McNett test, modified Suter Webb/Vu Graph, Ro-tap, fibre-grades and dollar values.

Reports are signed by P.R. Clark.

6. SUMMARY RESULTS

These are as follows (table 1):

Hole No.	From - To	L	L/2	Sample weight lbs.	Rec. % (adjusted)	Date Report 1966	Dollar per ton ore	Fibre value per ton
S-1	69 - 416	347'	173.5'	325	2.42	Oct. 18	5.08	210.00
S-2	110 - 305	195'	97.5'	299	1.11	Oct. 27	2.42	218.00
S-3[A]	(88 - 109) (204 - 378)	21' 174'	10.5' 87'	171	1.30	Oct. 26	3.33	258.00
S-5	85 - 378	293'	146.5'	365	1.86	Oct. 24	4.00	215.00
S-7	175 - 334	159'	79.5'	338	1.66	Oct. 27	3.12	188.00

These figures provide the following weighted products:

Hole No.	W in lbs.	W x Rec. %	W x $ p. ton	W x fibre p. ton
S-1	325	786.50	1,651.00	68,250
S-2	299	331.89	723.58	65,182
S-3[A]	171	222.30	569.43	44,118
S-5	365	678.90	1,460.00	78,475
S-7	338	561.08	1,054.56	63,544
Total	1,498	2,580.67	5,458.57	319,569
Average		1.72%	$3.64	$213.33

These figures should be used in conjuction with illustrations 6 and 8 of the Feburary 11, 1970 report on the Rex Asbestos property by Peter H. Sevensma Consultants Ltd.

7. JANUARY 1970 TEST on 128 lbs. of DRILL CORE

The following results were reported by the Quebec Department of Natural Resources on a 128 lb. sample of 1969 drill core submitted by Peter H. Sevenema Consultants Ltd.

	Fibre Quality	%	Dollar per ton ore	Fibre value per ton
	1	1.39	4.53	326
	2	3.43	6.69	195
Sub total	1 + 2	4.82	11.22	* 233
	3	1.58	0.99	63
Total	1 + 2 + 3	6.40	12.21	* 191

* Calculated

This test, which is conclusively a test of near-surface better-grade material compares well with the Cassiar tests when considering Fibre 1 & 2 qualities only, in indicating about double the grade of hole S-1, which showed 2.42% in $5.08 rock, producing fibre valued at $210.00 a ton.

In the Cassiar tests, about 50% - 70% of the fibre value consisted of the grades AK, AD, AC, A and minor AAA, about two-thirds of this being fibre $^{3}/16$ long and better.

In general, it may be stated that drilling and testing has indicated a zone of better fibre in the range of $10.00 to $15.00 per ton, outlined especially on section 1+00 N by holes 2-11, 2-9 and S-1, where it appears to be about 50' wide within the generally about 200' wide zone.

8. SUMMARY and RECOMMENDATIONS

Recently retrieved data provide additional information on the size and grade of the Rex Asbestos Prospect.

A volume of chrysotile-bearing moderately serpentinized rock is present, outlined for a length of about 900', a width of about 200' and a vertical depth of about 250'. This represents a volume of about 3½ million tons.

Overall grade of this tonnage is of the order of 1.5% - 2% fibre of some $215.00 per ton, giving a rock value of $3.50 - $4.00 per ton.

Within this volume, there is a higher-grade zone up to 50' wide, representing perhaps some 10% of the total mass, with a rock value of some $10.00 - $15.00 per ton, or possibly higher, and about 5% - 6% fibre content.

The economic possibilities of the prospect depend upon whether the proportion of this higher grade material increases substantially either with depth or along the strike to develop sufficient tonnage for an underground operation.

In the writer's opinion, a deeper drill-test with three 600' - 700' holes drilled from NE to SW, to provide information on the better grade SW half of the body, is the most economical method to assess this possibility.

The most suitable locations for these holes would be in the vicinity of section 0+00, and, if this does not justify additional

drilling in this area, on sections 3+00 N and 5+00 S.

A field budget of $40,000.00 is required as a minimum for a program of this type.

As quite considerable stripping has been carried out in 1969, trenching to bedrock in several areas of known fibre on bedrock would be easy and permit near-surface bulksampling to be carried out; this may be advantageous in conjunction with drill-site preparation.

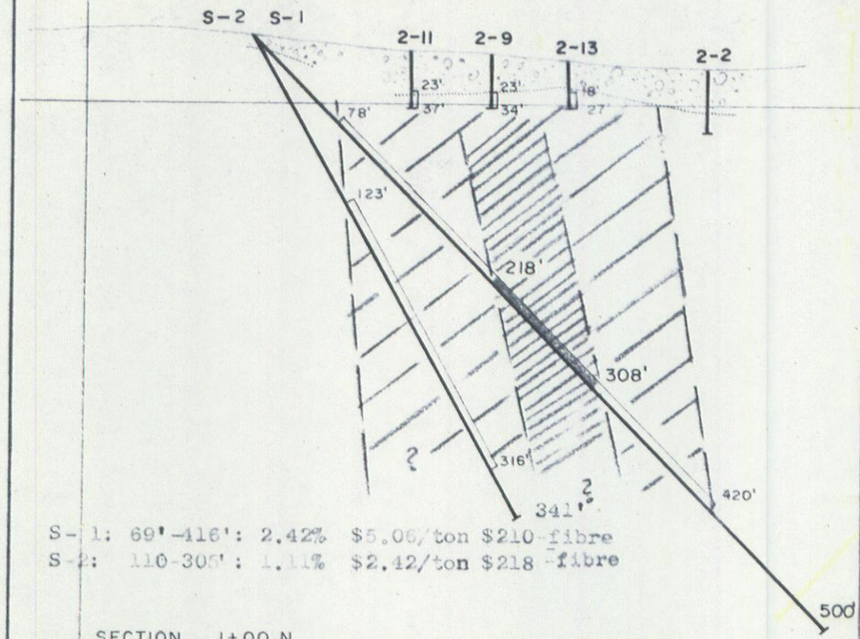
An additional $10,000.00 for this work is recommended in the field budget, this part of the project to be carried out if considered desirable and practical at the time further exploration is undertaken.

Respectfully submitted,

P.H. Sevenema, Ph.D., P.Eng.
PETER H. SEVENSMA CONSULTANTS LTD.

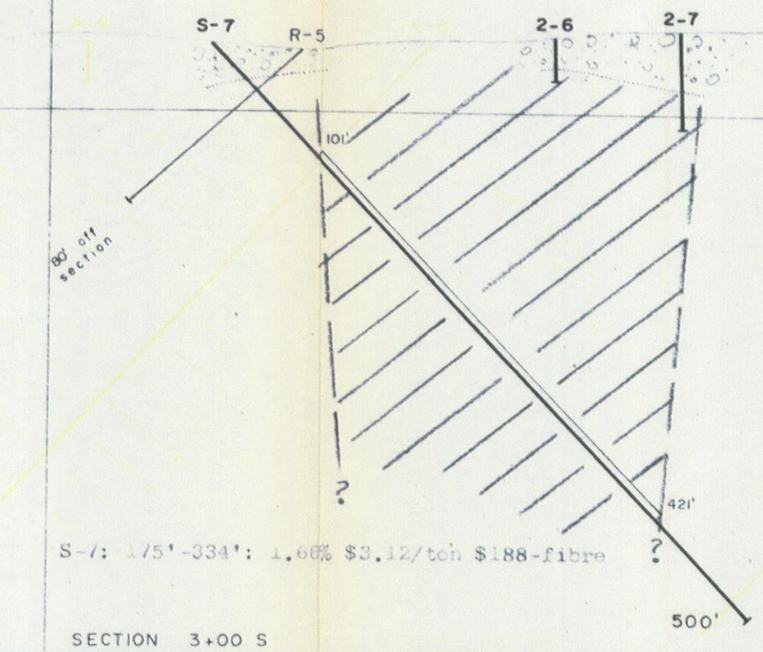
Vancouver, B.C.

September 9, 1970.



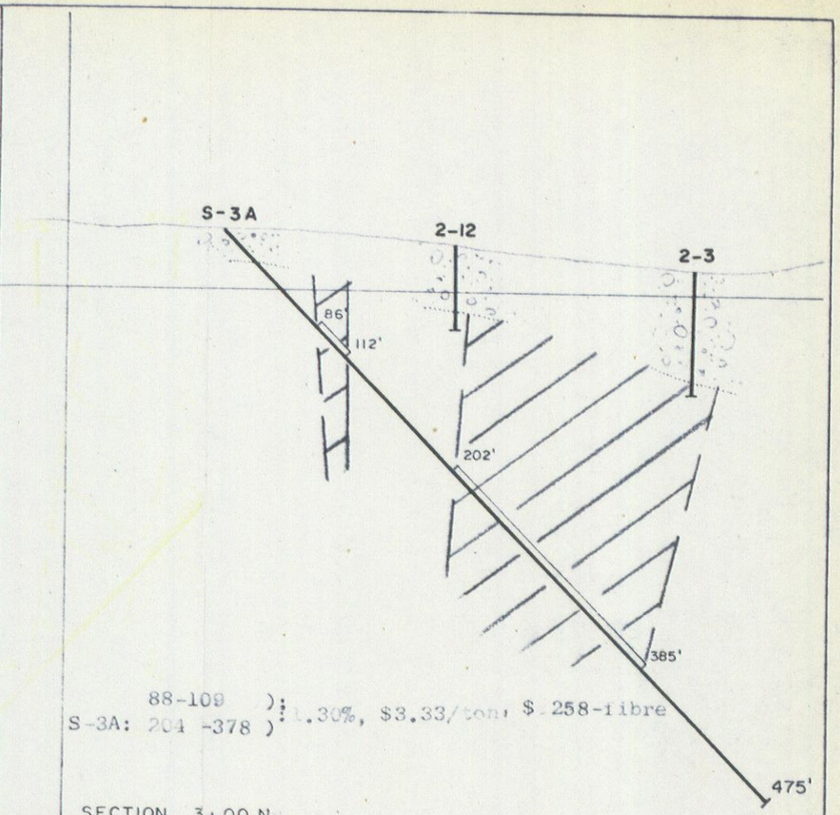
S-1: 69'-416': 2.42% $5.06/ton $210-fibre
S-2: 110-305': 1.11% $2.42/ton $218-fibre

SECTION 1+00 N



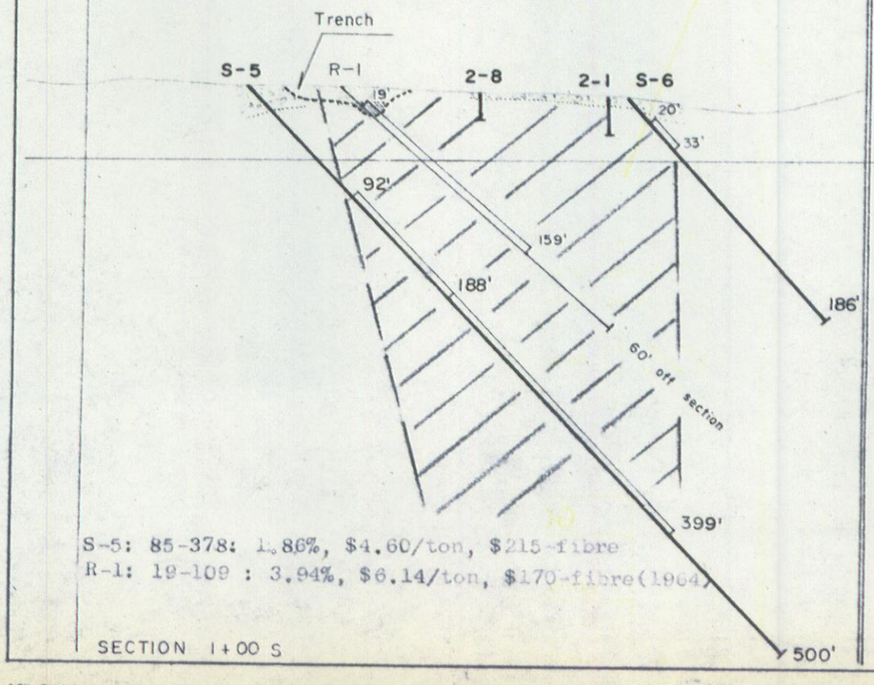
S-7: 175'-334': 1.66% $3.12/ton $188-fibre

SECTION 3+00 S



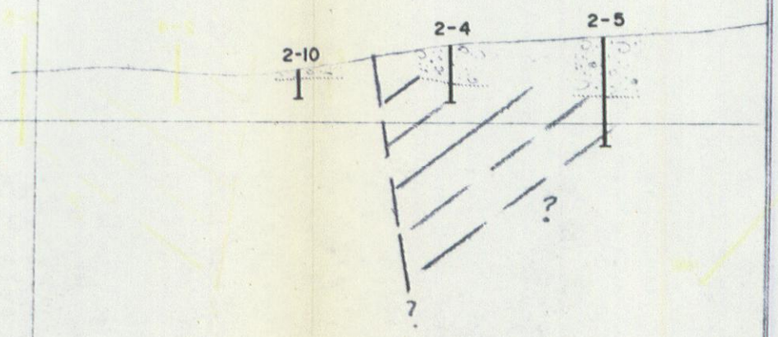
S-3A: 204-378) 1.30%, $3.33/ton, $.258-fibre
88-109);

SECTION 3+00 N



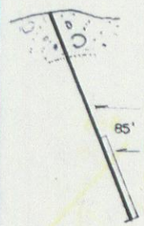
S-5: 85-378: 1.86%, $4.60/ton, $215-fibre
R-1: 19-109 : 3.94%, $6.14/ton, $170-fibre(1964)

SECTION 1+00 S



SECTION 5+00 S

L E G E N D



"R" Series holes — Drilled by Cominco 1963
"S" Series holes — Drilled by Golden Gate 1966
"2" Series holes — Drilled by Golden Gate 1969 (O.B. Drill + NX core)

Serpentinized Peridotite, chrysotile

P. H. Sevensma

GOLDEN GATE EXPLORATIONS LTD.

DRILL SECTIONS, ANOMALY No. 2

Whitehorse M.D.—Y.T. 115-A-11

P. H. Sevensma Consultants Ltd. Vancouver, B.C.

Dwg. No. Fig: 8 Sept. 1970 Scale: 0 100'